Municipal Affairs Annual Report

1984/85

Alberta
MUNICIPAL AFFAIRS

86-05230/

Alberta
MUNICIPAL AFFAIRS

Office of the Minister

224 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-3744

To The Honourable G. Amerongen
Speaker of the Assembly

Sir:

I have the honour to submit the Annual Report of Alberta Municipal Affairs for the period of April 1, 1984 to March 31, 1985.

Respectfully submitted,

JULIAN KOZIAK
Minister of Municipal Affairs

Alberta
MUNICIPAL AFFAIRS

Office of the Deputy Minister

Jarvis Building, 9925-107 Street, Edmonton, Alberta, Canada T5K 2H9 403/427-4826

Honourable Julian Koziak, Q.C.
Minister of Municipal Affairs
Government of Alberta
224 Legislature Building

Dear Sir:

I take pleasure in presenting to you the Annual Report setting out the activities of Alberta Municipal Affairs for the fiscal year ending March 31, 1985.

Respectfully submitted,

Archie R. Grover
Deputy Minister

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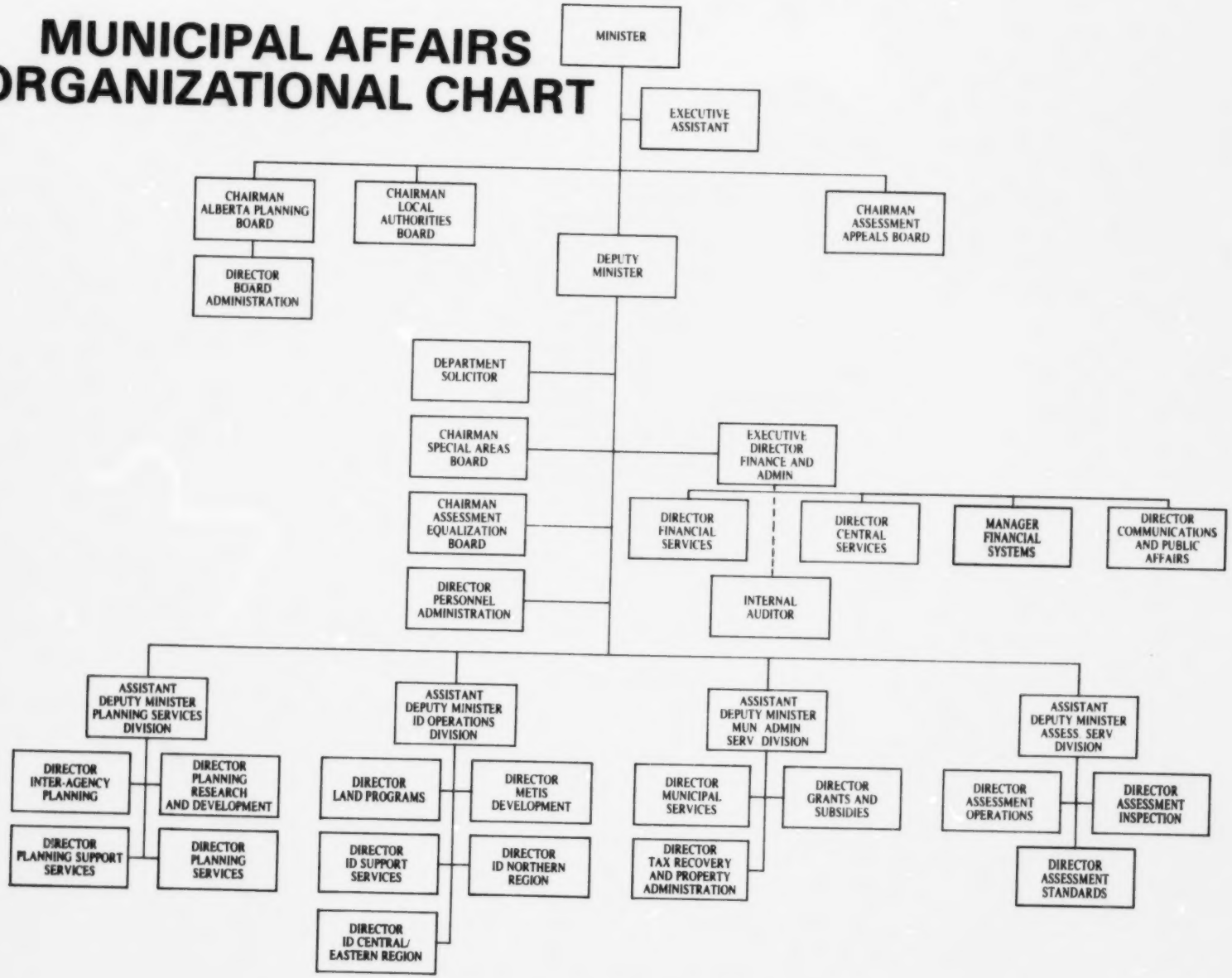
MUNICIPAL AFFAIRS ORGANIZATIONAL CHART



ACTS ADMINISTERED BY ALBERTA MUNICIPAL AFFAIRS

Agricultural Relief Advances Act

Property Tax Reduction Act

Assessment Appeal Board Act

County Act

Crowsnest Pass Municipal Unification Act

Department of Municipal Affairs Act

Electric Power & Pipeline Assessment Act

Improvement Districts Act

Lloydminster Municipal Amalgamation Act

Local Authorities Board Act

Local Authorities Election Act

Local Tax Arrears Consolidation Act

Metis Betterment Act

Municipal & Provincial Valuation Act

Municipal & School Administration Act

Municipalities Assessment & Equalization Act

Municipal Government Act

Municipal Tax Exemption Act

Municipal Taxation Act

New Towns Act

Northeast Alberta Regional Commission Act

Planning Act

Regional Municipal Services Act

Special Areas Act

Tax Recovery Act

Reporting to Deputy Minister

SOLICITOR'S OFFICE

The solicitor's office, located in the Jarvis Building and staffed by a lawyer from Alberta Attorney General, provides diverse legal services to Alberta Municipal Affairs and its associated boards. These include:

- the supply of legal advice and written opinions usually related to legislation administered by Alberta Municipal Affairs
- the review and preparation of documents including contracts required by the department
- court appearances, where required, on behalf of the department including representation before the courts on behalf of the Alberta Planning Board, Alberta Assessment Appeal Board and the development appeal boards in the improvement districts
- reviewing proposed legislation and the revision of existing legislation and regulations
- participation in special projects.

PERSONNEL ADMINISTRATION

The Personnel Branch works positively toward providing a productive, efficient, qualified and stable work force for Alberta Municipal Affairs. To this objective the following are some of the major new initiatives and changes introduced during the 1984/85 fiscal year:

- the acquisition of a micro-computer that will enable the branch to develop timely and accurate personnel information that can be reported to line management. As a result these managers will be able to provide more efficient and effective use of manpower within the department
- an enhanced word processing capability
- an electronic data processing Absent Time Reporting System that is tied into a government wide system
- the transfer of the responsibility for the management of the Occupational Health and Safety functions from Central Services Branch to the Personnel Branch
- an enhanced career counselling program, and
- an expanded in-house departmental training program.

Other significant data for this fiscal period includes:

- no permanent manpower positions were added to the establishment
- 127 classified manpower positions were deleted, 119 of which were permanent positions
- at the end of this fiscal period there were 671 permanent code 1 positions
- the vacancy rate for permanent code 1 positions at the start of the fiscal period was 4.3 per cent, and at the end was 5.3 per cent. The true vacancy rate, which reflects only those vacant positions being recruited to at the end of the fiscal period, was two per cent
- there were 81 positions filled — 46 by competition and 35 by exemption
- there were 166 terminations (including 99 in abolished positions) plus 12 transferred out for a total of 178 employees who left the department
- the average number of wage employees was 278
- 139 classification submissions were processed
- 98 employees received formal staff development and training from Central Personnel, and 131 received training from the department and other sources
- six formal grievances were lodged with only two going to the arbitration level. There has been a substantial increase in ongoing employee relations problems
- eight employees were receiving Long Term Disability Insurance as of March 31, 1985.

Finance and Administration

FINANCE AND ADMINISTRATION DIVISION

The division is responsible for providing support services and financial controls through:

- Central Services Branch
- Communications Branch
- Financial Services Branch
- Financial Systems
- Internal Audit.

Fiscal restraint and improved productivity continued as primary objectives during 1984/85. Office automation facilities, primarily in the form of word processing, continue to be expanded throughout the department providing not only better productivity, but improved quality and turnaround time.

Central Services Branch

This branch provides support services to the operational divisions of the department in the following areas: data processing, records management, library services, office accommodation and purchasing. During 1984 the value of information to the operation of the department was recognized as being increasingly more significant. The Central Services Branch plays an integral part in the collection, storage and utilization of all forms of information within the department, through use of both manual and automated systems.

Major activities in the current year included:

- the successful implementation of the Pipeline Industrial Assessment System
- the acquisition and installation of a General Ledger and Accounts Payable System for Trust Fund Accounting
- the successful development and installation of the Assessment Equalization Board Computer System
- the successful development of the Subdivision Processing Administrative Support Computer System
- the installation and operation of a mini-computer to support the requirements for office automation throughout the head office, as well as allowing for inhouse development of small data processing systems
- the training of over 225 persons on various aspects of office automation and data processing in the Department Information Centre which is operated by this branch
- work with other government departments on the development of a common automated records management system for the Government of Alberta
- the establishment of a forms management program and records scheduling and disposition program resulting in significant savings during the current year.

Members of the branch also took part in interdepartmental committees working towards the co-ordination of Land Information Systems and ensuring that government-wide standards are established to allow for the integration of various databases relating to land throughout the Provincial Government.

Communications Branch

This branch functions as an arm of the Alberta Public Affairs Bureau by providing a complete internal and external communication service to Alberta Municipal Affairs and its associated boards.

This service encompasses:

- preparing an annual communication plan
- conducting communication research
- providing public relations counsel
- liaising with the media
- co-ordinating advertising, print, graphic, display and audio-visual needs
- publishing the staff newsletter - Municipal Affairs, a management bulletin - Manage, and the magazine - Municipal Counsellor.

During the 1984/85 year, the branch continued its communication research and planning activities to ensure program managers the most cost-efficient and accurate communication approaches.

Expanding the Assessment Answer Campaign - the theme of the general assessment plan - the branch produced an "Answers to Questions About The Court of Revision" brochure, a "Get All the Answers about Assessment" videotape and three camera-ready articles for municipalities to provide to their local newspapers. The camera-ready articles have appeared in weekly newspapers across the province and the campaign as a whole has been so successful that other provinces have requested details.

A communication plan was prepared to explain to rural Albertans the new procedures to be introduced regarding assessment of farmland. Although the new procedures will not be introduced until 1985/86, the communication plan was undertaken to assist in training assessors. Entitled the Alberta FACTS Campaign, the videotape was produced this year, with additional components to be produced in 1985/86.

The "Make Planning Work for You" series of brochures was expanded by one with the introduction of the "Undivided Interest" brochure.

To ensure the department is delivering timely and relevant information to municipalities, a communication audit was carried out for the Municipal Administrative Services Division. The results of the audit were used to improve 1985/86 communications and to prepare a more comprehensive 1986/87 communication plan for the MASD.

With a view to improving the effectiveness of communications within Municipal Affairs an internal audit among employees was carried out. The results of the audit were utilized to develop an internal communication philosophy, policy and procedure. Following from these a comprehensive plan was developed for the 1985/86 year to enhance internal communications and therefore staff productivity.

Early preparation for the 1986 civic elections saw the production of voter eligibility information, specifically posters to be displayed at voting stations, headed "Please Note Before You Vote." An advertisement for municipalities to place in weekly newspapers, a news release and a public service announcement were also prepared.

An issues inventory to assist in tracking relevant issues and a media relations policy and procedure were also developed for the department.

Financial Services Branch

This branch is responsible for providing accounting and financial management information services to the department and its related boards and agencies through:

- Departmental Accounting and Budgeting section
- Trust Fund Accounting section
- Property Taxation section.

During 1984/85 considerable effort was devoted to implementation of a new general ledger system for the trust funds. Job enrichment and staff productivity continued to be an emphasis as the effects of the reorganization took place.

1984/85 Expenditures Classified by Program

a) Financial Support for Municipal Programs
$213,082,000 — 60.4%

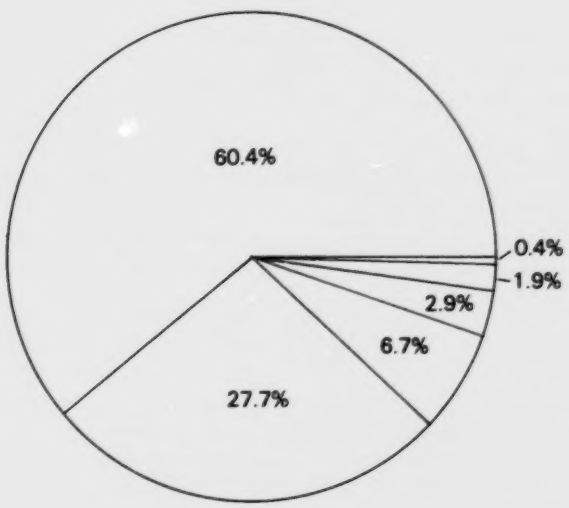
b) Alberta Property Tax Rebate to Individuals
$ 99,336,000 — 27.7%

c) Administrative and Technical Support to Municipalities
$ 23,668,000 — 6.7%

d) Support to Community Planning
$ 10,394,000 — 2.9%

e) Department Support
$ 6,735,000 — 1.9%

f) Regulatory Boards
$ 1,551,000 — 0.4%



Total Expenditure (Unaudited) $353,085,000

Financial Systems Section

This section continued its participation in developmental projects in 1984/85. Primary emphasis was placed on the computerized Trust Fund Accounting System, in the areas of software selection and implementation, user training and documentation.

Micro-computer software to accommodate water and sewer billing and expenditure tracking was implemented in eight improvement district locations.

The section also headed a project which developed accounts receivable software for the Special Areas Tax Recovery Land Sale Program.

Progress continues at a steady pace in the documentation of policies and procedures for inclusion in the financial administration manuals for both Edmonton and field staff.

Internal Auditor

The internal auditor primarily reviews, evaluates and reports on the financial and accounting policies, systems and activities within the department. The audit mandate provides for an independent review of financial controls, accountability and viability.

The internal auditor reports to the department audit committee, consisting of the deputy minister and senior department executives. The committee reviews the annual audit plan and audit reports and promotes the establishment and maintenance of internal control systems.

During 1984/85, the internal auditor completed audits of seven improvement district offices, Special Areas financial activities, four trust fund capital projects and a number of special projects including verification of fixed assets in Medicine Hat (ID 1), Drumheller (ID 7), and Rocky Mountain House (ID 10). The office of internal audit also commenced a review of input and output controls in the massive Municipal Affairs Taxation (MATX) System, comprising 11 subsystems.

Planning Services Division

PLANNING SERVICES DIVISION

The Planning Services Division continued its direct delivery of land use planning services to those areas of the province outside of municipal and regional planning commission boundaries.

The division, as part of its mandate, assumes primary responsibility for the administration of the planning legislation, an activity that is shared to some extent with the Alberta Planning Board. A continuous monitoring of deficiencies within provincial land use planning legislation is maintained with a view to advising the department, the Alberta Planning Board, and the minister on any necessary interpretations of the legislation and on the need for change either in the legislation or in adopted practices.

Activities undertaken by the division's four branches consisted of a diverse range of land use planning operations. These included consultative input to land use planning authorities throughout the province, processing of subdivision applications pertaining to areas of the province under the division's jurisdiction, preparation of statutory plans and land use bylaws, review of regional plans, undertaking of research studies and the preparation of technical illustrative work in support of professional land use planning documents.

A synopsis of activities for the four branches pertaining to the 1984/85 fiscal year follows.

Planning Branch

The Planning Branch provided regional and municipal planning services to those municipalities not served by a regional planning commission. Upon request, professional planning advice was provided to these municipalities on a broad range of land use and development matters, including the preparation, adoption, maintenance and operation of general municipal plans, area structure plans, area redevelopment plans, lake management plans and land use bylaws. The branch's senior staff, as delegated by the minister, acted as subdivision approving authority for the area of the province under the division's jurisdiction.

The branch provided planning advice and assistance to over 80 municipalities within its jurisdiction. Client reaction to the branch's recent reorganization has been positive in light of increased planning activity. Renewed activity has been spurred by developments in the heavy oil area, resulting in both the private and public sectors taking steps to accommodate existing and anticipated growth.

The introduction of a computerized subdivision tracking system has ensured efficient processing of subdivision applications in spite of staff reductions.

A brief summary of activities within the units of the Planning Branch follows.

Lakeland Unit

Lakeland Unit staff delivered planning services to 17 urban and rural municipalities in northeast Alberta. Four general municipal plans, one lake management plan, five land use bylaws and several specific land use planning projects were undertaken.

Staff were also involved with urban census activities as well as responding to the needs of eastern Metis settlements.

Parkview Unit

Unit staff provided planning services to 35 urban and rural municipalities and six Metis settlements. Major staff undertakings included: eight general municipal plans, 10 land use bylaws prepared and adopted, 15 planning reports, studies, inventories and research projects completed and presented to councils. Significant projects were undertaken for four Metis settlements ranging from complete inventories and settlement mapping, to design and settlement relocation. Twenty municipalities attended sessions dealing with municipal needs assessment and overall planning orientation. Three lake management planning programs were undertaken and a major review started on an existing lake management plan.

Prairie Unit

Unit staff delivered planning services to 30 urban and rural municipal clients in east-central Alberta. Three general municipal plans, five land use bylaws, two community plans, seven outline plans, five annual planning reports and numerous other planning studies and reports were prepared for client municipalities.

Staff also finalized an Airport Vicinity Protection Area Program Procedural Guideline for public release. As well, 11 new AVPA regulations were initiated and as a result, both of the international and most of the major provincial airports will now be under this program.

Subdivision Unit

Unit staff provided technical processing and circulation of subdivision applications for municipalities not included in regional planning commissions. A breakdown of subdivision activities follows:

Applications Received		Decisions Made	
Plans of Survey	135	Approved	60
Other Instruments	286	Conditional Approval	268
Outline Plans	6	Refusals	80
		Deemed Refusal	1
SUB TOTAL	427		
		SUB TOTAL	409
Withdrawn by applicant	-16		
83/84 Files Carried Over	78 *	Files Carried Over to 84/85	80
TOTAL	489	TOTAL	489

Alberta Planning Board Appeals Attended 47
Instruments endorsed 321 (1,018 lots)

* adjusted from 83/84 for files withdrawn.

Planning Research and Development Branch

The branch undertook applied research projects on a variety of planning-related topics, either independently, jointly with other branches within the division or with other divisions. Projects originated as ministerial, inter-departmental, extra-departmental or Alberta Planning Board requests, or as a result of identified needs within the division, local and regional planning authorities.

The branch participated in the formulation of policy advice based on the results of its planning research activities. It also made recommendations on the development or modification of planning-related programs based on needs identified through such research work.

Some specific ongoing projects with which the branch has been involved during the 1984/85 fiscal year are listed below:

- the IMPACT model, a municipal planning and financial planning tool, was piloted in eight communities ranging in size from 1,000 to 11,000 population. This work has resulted in numerous improvements to the model. Several other communities have expressed interest in participating. The model was also used to assist in the amalgamation study of Spruce Grove and Stony Plain. Further application is anticipated in conjunction with Municipal Administrative Services Division
- the lot levy study completed last year has led to the establishment of an advisory committee at the request of the minister to examine alternatives. This work is being provided with technical support through the branch and is expected to be completed by the end of 1985
- census processing for 26 municipalities totalling 112,000 population was successfully completed using micro-computer technology. The next phase of this project will be the development of user manuals for use by the planning commissions and municipalities when the responsibility for processing is transferred. The branch continues to process municipal census data on a request basis
- following the study of declining central business districts the branch has embarked upon a pilot project for downtown revitalization through the encouragement of Business Revitalization Zones
- the benefit-cost study on country residential subdivisions in the M.D. of Sturgeon was completed during the year. The methodology developed during the course of this project will facilitate the undertaking of similar projects for other rural municipalities
- the "Data Sources for Planning in Alberta" has been completed. This edition has been greatly expanded and now includes approximately 550 references. Updates will be sent to manual holders on a periodic basis making this a truly ongoing service to other federal and provincial government departments, local authorities and private consultants
- work on the Planning Futures project has continued with an examination of the potential long term legislative needs of planning and related areas over the next 10 to 15 years.

Inter-Agency Planning Branch

In its eighth year of operation, the branch had its busiest period as its nine members continued in their role as technical advisors to the Alberta Planning Board. Six regional plans were reviewed on behalf of the board and minister, and consultations were conducted with provincial departments and regional planning commissions. With two-thirds of Alberta's regional plans in place, the branch began to redirect its role from one of helping the board implement a new approach to regional planning, to one of providing technical assistance, information and training to the department's municipal and regional clients. In response to municipal and provincial interest, several major new land use-related programs were initiated.

Specific branch activities were:

- **Regional Planning**
  On behalf of the Alberta Planning Board, the branch reviewed the South Peace, Oldman River, Mackenzie, Yellowhead, Edmonton Metropolitan, Palliser, Red Deer and Calgary regional plans, and advised the board on their approval, and the minister on their ratification.

- **Agriculture Land Policy**
  On behalf of the Alberta Planning Board, the branch attended the public hearings of the Environment Council of Alberta on the maintenance and expansion of the agricultural land base. ECA findings were reported to the board and minister.

- **Hazardous Products Pipelines and Land Use**
  Jointly with the Energy Resources Conservation Board, work continued on how land use planning practices could prevent urban encroachment on hazardous products pipelines.

- **Special Provincial Land Use Planning Activities**
  Dealing with the interorganizational element of planning issues, the branch sat on several committees and dealt with a number of policy issues, among them noise attenuation, public land planning, and municipal servicing and engineering standards.

- **Streamlining the Land Use Planning System**
  Work continued on examining ways to increase the efficiency of the land use planning system and to create a more supportive environment for the building and development industry.

- **Energy Management Kit for Municipalities**
  With the participation of Alberta Energy and Natural Resources, regional planning commissions, TransAlta Utilities, and the municipal associations, the branch developed an information and decision-making package to assist local officials to reduce municipal energy costs. Demonstrations were held in six communities using staff from regional planning commissions, members of utilities and ENR and branch materials. In addition, a display was created and a presentation given at the AUMA annual conference.

- **Energy-Sensitive Land Use Planning Kit**
  With the assistance of Alberta Housing Corporation, ENR, and the regional planning commissions, a kit was developed to assist land use planners and the development industry to evaluate or design energy-sensitive subdivision and building projects.

- **Municipal Downtown Economic Development**
  Following earlier work advising municipalities on downtown development, and responding to requests for information on land use planning and the BRZ legislation, the branch put considerable resources into its downtown economic development project. Negotiations were started with Alberta Small Business and Tourism on a joint initiative, and work commenced on the development of a comprehensive, self-help kit, to be used by municipal officials and planners. Parts of the kit were tested in Devon and Fort Saskatchewan.

- **Training for More Effective Planning and Development**
  Several years of careful consultative efforts paid off with the University of Calgary's senate approving the establishment of the Certificate in Planning Management, a first-in-Canada designed to help planning agencies respond more effectively to their clients. The core course in the certificate — Managing the Planning Process — was designed by branch staff.

  Similar efforts resulted in the University of Alberta (Local Government Studies) approving a citation program for municipal development officials. Staff assisted in developing both an introductory and an advanced course, with assistance from the Alberta Development Officers Association and the university.

  Work commenced on a training program in municipal economic/downtown development, with courses being offered in small town design and facilitating local development. Work also began on the economic development component.

  At the request of a number of development appeal board members, an orientation course for DAB members was developed. Mounting of the course will occur next year.

- **Support to Organizations in the Planning System**
  As part of its interorganizational mandate, the branch assisted various agencies with an interest in land use planning. The Alberta Urban Municipalities Association was assisted through the provision of a complete presentation session on energy management.

Support, through funding, continued for a second year for the awards program of the Alberta Association of the Canadian Institute of Planners. This program recognizes and rewards good planning and new approaches being used by professionals in Alberta.

Support to the Alberta Development Officer's Association occurred through limited funding and technical assistance to their project to develop and publish a handbook of procedures for municipal development officers. On their behalf, a research project on home occupations was started, with a survey completed of all municipalities and the presentation of initial findings to the ADOA annual conference.

- **Public Information on Land Use Planning**
  The branch continued to provide public information on the land use planning system. Various municipalities requested provincial government assistance in dealing with the development of 'undivided interests' in land. Subsequently, the branch developed the information pamphlet "Considering Undivided Interest-Joint Land Ownership?"

  Aimed at land use planning practitioners, the branch published the Planning Forum series, covering topical subjects such as energy efficient residential subdivision development.

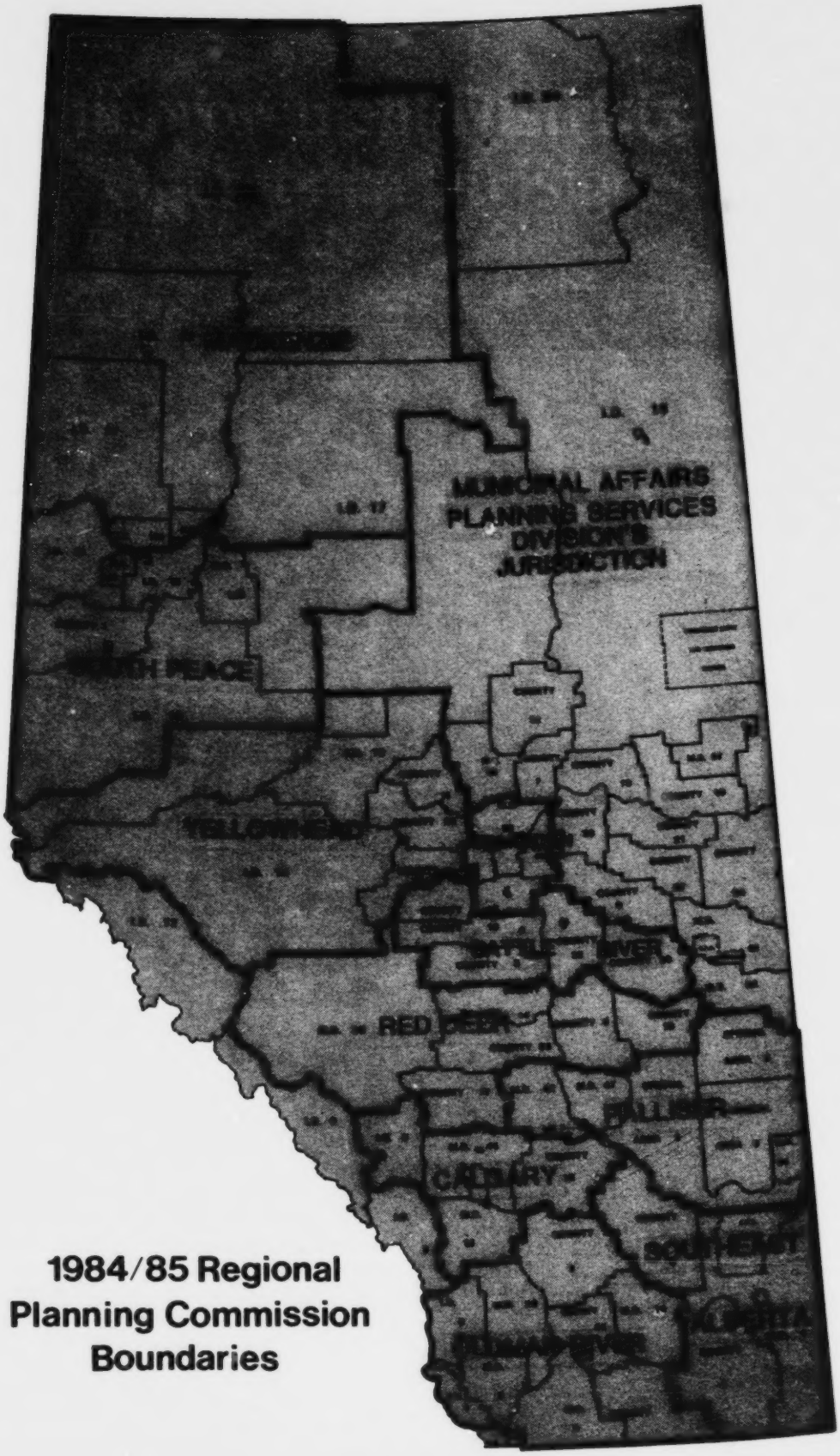
  Additional materials were developed to accompany the film "Managing Community Planning", designed to help elected officials manage the complexities of land use planning.

Planning Support Services Branch

The branch provided technical services to the other three branches of the division as well as to other divisions within the department, meeting drafting, cartographic, graphics, printing, photogaphic and darkroom reproduction requirements. It maintained a modest municipal engineering/ground control survey and advisory capability. The branch also served in a co-ordinating capacity in the performance of the division's administrative, budgetary, personnel and expenditure control functions.

The following is a summary of branch activities undertaken during the 1984/85 fiscal year.

- The drafting services unit handled 310 requests for graphic and cartographic work. These ranged in complexity from simple lettering and graphic work to complex multi-colour mapping projects.
- The unit also updated legal land use compiled cadastral maps, used not only by departmental staff, but also by the public at large. Approximately 150 updates were handled during the subject fiscal year.
- The Engineering Services unit provided municipal engineering input to professional planning staff. In addition, unofficial ground control survey work for land use planning purposes was carried out in seven municipalities. The unit also made required arrangements for the procurement of aerial photographs.
- The small photolab enabled the division to handle 80-90% of its mapping photo reproduction work inhouse. It also made it possible for planners and management to procure innovative aids for land use presentation purposes. The one-person unit processed 1,218 photo reproduction requests during the fiscal year.
- The administrative support component of the branch continued to co-ordinate all divisional administrative requirements as necessary — accounts payable, personnel related matters and general administrative policies and procedures.



1984/85 Regional Planning Commission Boundaries

Improvement Districts Operations Division

IMPROVEMENT DISTRICTS OPERATIONS DIVISION

The past year has been an historic one as two improvement districts incorporated as full-fledged rural municipalities. Improvement District No. 1 became the Municipal District of Cypress No. 1 and Improvement District No. 10 became the Municipal District of Clearwater No. 99. These were the first incorporations of improvement districts since the M.D. of Spirit River was created in 1958. So far both new M.D.s have been successful. The experience of their councils, administrative competence and a strong financial position indicate a secure future.

Other improvement districts were actively examining their future options during the year and, in February, the minister of Municipal Affairs announced January 1, 1987 as the target date for the incorporation of Improvement District No. 8. This I.D. has discussed the topic of incorporation locally for several years, and studies have indicated that it has the financial resources to incorporate. Issues which remain to be resolved concern jurisdiction for the green zone (forested lands) and the mechanics of the transfer of the road authority from Alberta Transportation.

The report of the MacEwan Committee, reviewing the Metis Betterment Act and regulations was submitted to the minister of Municipal Affairs in July 1984. This report has already had a major impact on the future development of Alberta's eight Metis settlements. The report has received significant review, mainly by the Metis settlements and by provincial government departments. The premier has indicated that the implementation of many of the recommendations of the MacEwan Report and the adoption of a new act to replace the Metis Betterment Act is a major priority of the government.

Policy

- Plans have been laid to transfer jurisdiction for the lands in green zone hamlets from Alberta Energy and Natural Resources to Municipal Affairs. This will allow for more efficient administration and greater local participation and interest in land use decision-making.
- With the incorporation of viable municipal units in place (I.D.s 1 and 10) or planned (I.D. 8), more attention has been devoted to the development of local government in northern improvement districts. An effort has been made to ensure that all advisory council seats have been filled and that councillors and other community representatives attend advisory council meetings and are involved in the local government process as much as possible.
- The Metis settlements, with the assistance of the Metis Development Branch, have begun the development of policies and procedures in all major program and administrative areas. With the development of local budgeting procedures the groundwork is being laid for appropriate forms of local government on the settlements.

Re-organization

- Virtually all of the improvement district offices have micro-computers, resulting in improved financial management capability at the local level.
- The improvement districts have adopted a financial reporting system in the accepted municipal accounting format while remaining compatible with provincial financial systems.
- The majority of the remaining Edmonton office responsibilities for municipal planning and development have been shifted to the improvement districts, resulting in a reduction of two division Edmonton office staff.
- In I.D.s 17C and 18S two advisory councils have been amalgamated in order to create more cohesive and responsive local government units.
- Hamlet contact offices have been established in Wabasca and Fort Chipewyan to bring the local government process closer to the residents.
- A conscious effort has been made to increase the transformation of the Metis Development Branch from the role of administrator of the Metis settlements to that of a support group for the settlements. The branch has encouraged the settlements to deal directly with other departments and agencies in the delivery of programs and has done a great deal of preparatory work in the departments involved.

Training and Education in Local Government

- Regular I.D. advisory council meetings have been established in several different communities on a rotational basis, especially in northern Alberta, so that residents of the more remote communities can conveniently attend and make their views known. This provides a greater number of I.D. residents with an insight into the local government process.
- The major thrust for training in local government has been workshops and conferences sponsored by the Improvement Districts Association of Alberta.
- Local personnel have been hired in some of the northern improvement districts to provide information on such matters as taxation.

- The Metis Development Branch continued its contract with a national firm of chartered accountants to provide training in all aspects of public administration to Metis settlement councillors, directors, clerks and bookkeepers of settlement associations.
- The Metis Development Branch sponsored seminars for settlement councillors, administrators, and residents covering a broad range of subjects from construction standards to fire prevention and human relations.

Local Service

- The improvement districts continued to increase service levels in all program areas, bringing the programs to a service level virtually comparable to that in the incorporated rural municipalities.
- Although the construction of necessary capital projects remained an important activity, the on-going maintenance costs for these capital projects has been given greater attention.
- The compilation of a comprehensive and practical operational and preventative maintenance manual has become a requirement upon the completion of all major capital projects.
- Over $100,000 was spent on land clearing and development (including pasture development) on the Metis settlements.
- An ambitious program to improve water and sewer services on the Metis settlements continued. Over $2 million was spent in this area during the year, and among the projects completed were a water line extension in Paddle Prairie, a water reservoir in Big Prairie and a water treatment plant in Caslan.

Development and Planning

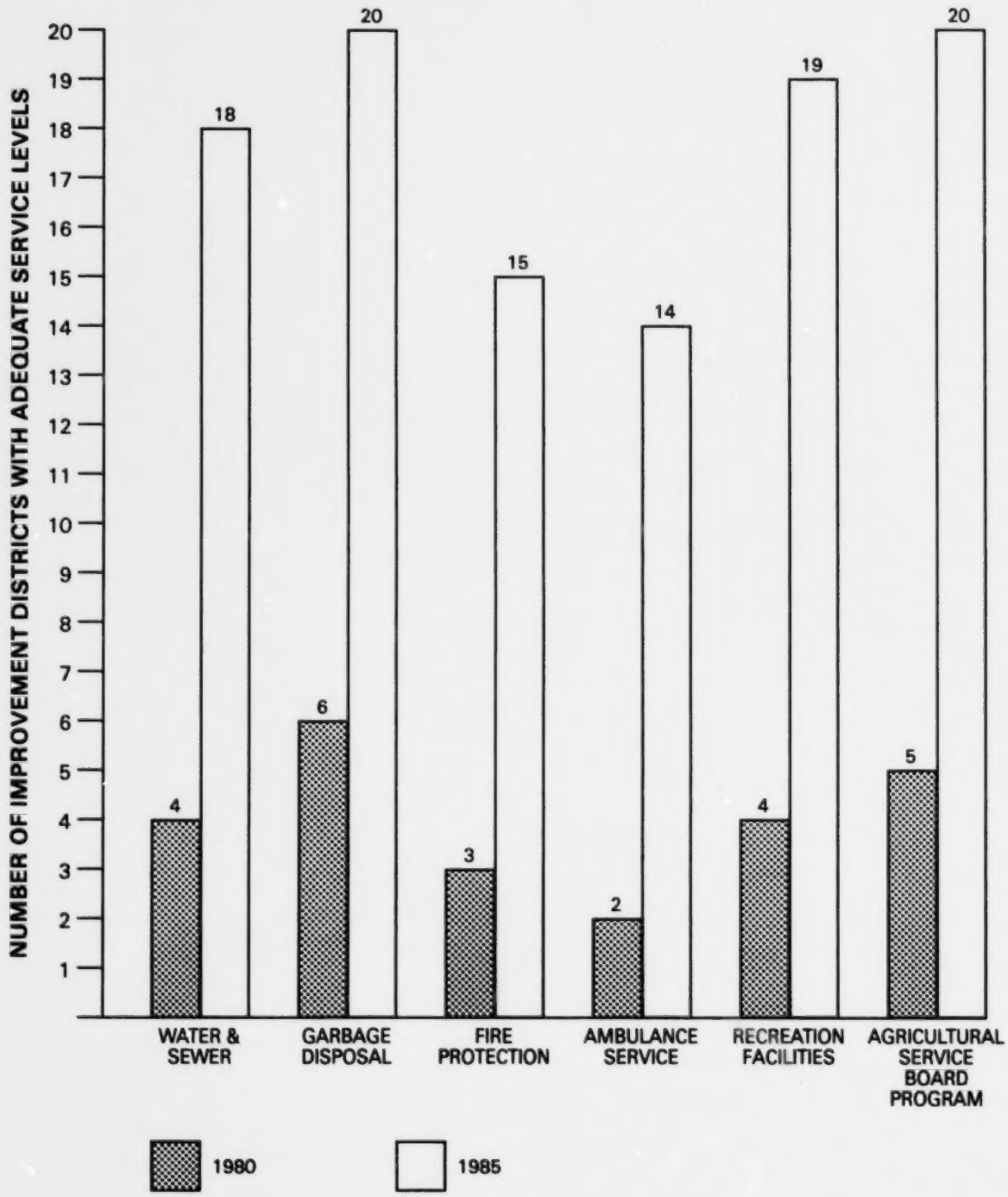
- Improvement district administration has provided for the increase of municipal services in the communities of Sandy Lake (I.D. 17E) and Janvier (I.D. 18N) in conjunction with the land tenure program. Title to 33 lots was transferred to local residents in Sandy Lake and preparation was made for the transfer process in Janvier.
- Advisory councils in several of the northern I.D.s participated in the process leading to the adoption of the Mackenzie and South Peace regional plans, general municipal plans were completed and approved for I.D.s 8 and 22 and a joint general municipal plan was approved for I.D. 15 and the Town of Whitecourt.
- Land Use inventories have been developed for all of the Metis settlements, allowing for land use planning at the local level.
- The relocation of the East Prairie Metis Settlement hamlet was initiated. The hamlet will be moved five kilometres to the west as the present site is prone to flooding and erosion.
- Forest inventories are underway in the four western Metis settlements to provide the basis for forestry activities in these areas.

Assessment and Taxation

- The total equalized assessmnt for the improvement districts for 1985 was $1,393,543,780, an increase of over $100 million from the previous year (excluding former I.D.s 1 and 10).
- This assessment base is necessary to provide services to over 67 per cent of the Province's geographic area. Major municipal program expenditures in 1984 included:

Schools	$63,459,509
Transportation	$23,053,042
Water and Sewer	$ 4,873,943
Recreation	$ 3,321,597
Protective Services	$ 2,924,243
Agricultural Service Board	$ 648,417

COMPARISON OF ADEQUACY OF MUNICIPAL SERVICE LEVELS PROVIDED IN THE IMPROVEMENT DISTRICTS



Alberta
MUNICIPAL AFFAIRS
1985
NORTH REGION
SOUTH REGION
CENTRAL/EASTERN REGION
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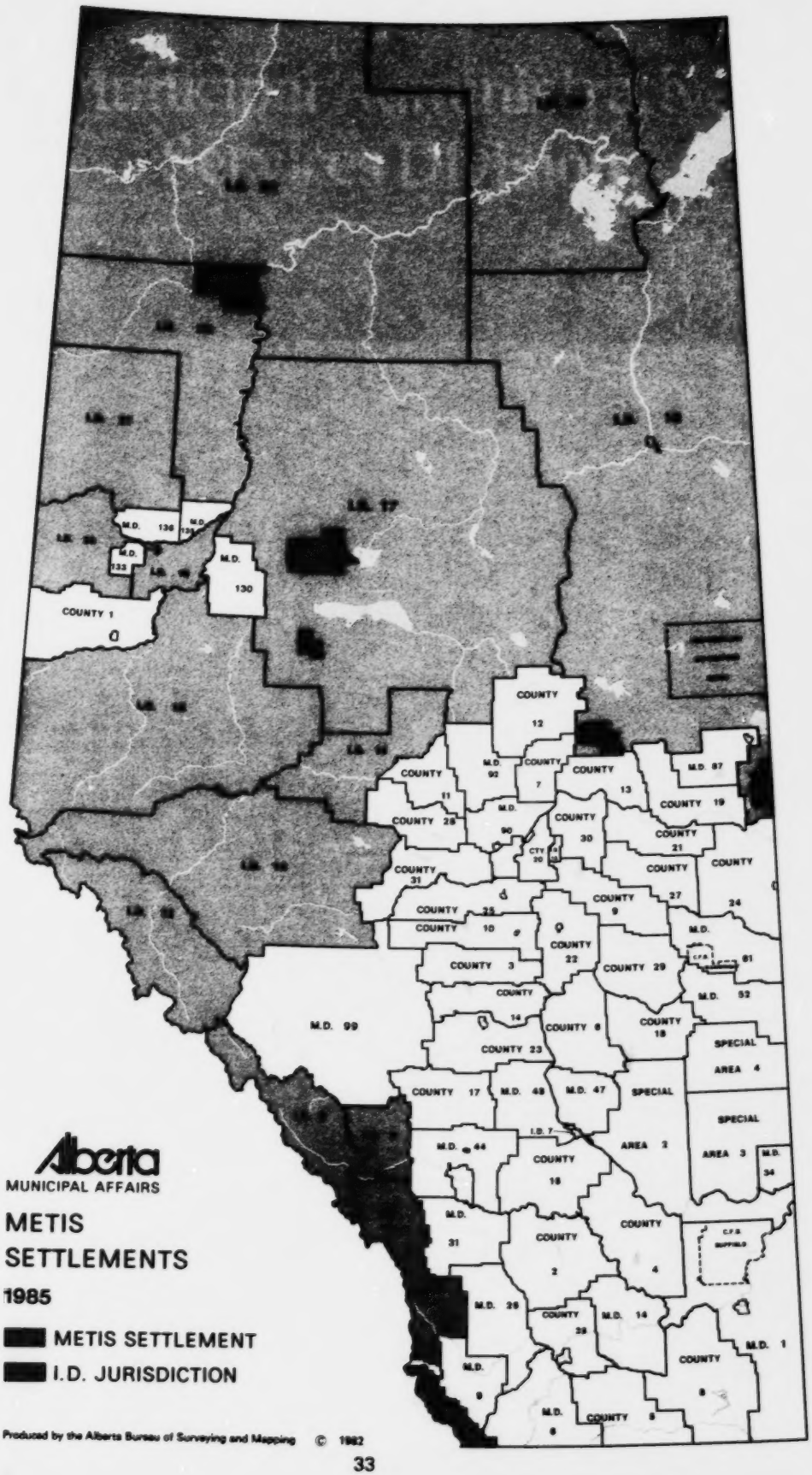
Alberta
MUNICIPAL AFFAIRS
METIS
SETTLEMENTS
1985
METIS SETTLEMENT
I.D. JURISDICTION
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Municipal Administrative Services Division

MUNICIPAL ADMINISTRATIVE SERVICES DIVISION

This division is composed of three branches

- Grants and Subsidies Branch
- Municipal Services Branch
- Tax Recovery and Property Administration Branch

The division acts as the focal point for general municipal administration. It conducts annual inspections of all incorporated municipalities, with the exception of cities, to ensure municipal government is being carried out in accordance with relevant legislation and regulations. It regularly provides advice and information to municipal officials on their duties and has a role in investigating and resolving complaints regarding their actions.

The division is involved in the development of the government's municipal policies, frequently co-ordinating or serving as the departmental representative on interdepartmental committees. Through workshops or seminars, it provides information to municipal officials and receives their input on matters which are relayed to the minister, relevant officials, departments or agencies.

Contact with individual Albertans occurs frequently in the administration of some programs such as rental assistance, property tax reduction and tax recovery and sale of land. The division administers four programs which provide funds to municipalities.

During the 1984/85 year the division has been actively involved in reviews of a variety of local government practices and procedures:

- **Grant Structures Review Committee**
  The division has provided secretariat and support services to this committee which is reviewing every grant program available to municipalities. The committee's report, which is to be completed by December 1985, will make recommendations on the reduction of administrative and other conditions in the program.

- **Conflict of Interest Advisory Committee**
  The division has co-ordinated the review of legislation regarding disqualification of members of councils for activities conflicting with the public interest. The final report is to be completed by November 1985.

- **County Act Review Committee**
  The division has co-ordinated the first comprehensive review of the County Act since it was originally passed in 1950. Two discussion reports have been widely circulated for comment. A further report is expected in 1985/86.

- **School Fiscal Year Task Force**
  The division assisted in expressing municipal concerns to the task force reviewing proposals for a revised fiscal year for schools in Alberta.

- **Debt Guideline Steering Committee**
  The division, which represents the department on this committee, will recommend methods of developing debt guidelines for Alberta municipalities.

The division also provides permanent representation for the department on such interdepartmental committees as the Statistics Co-ordinating Committee, Railway Relocation Steering Committee, Special Relations Committee, 1988 Calgary Olympics Steering Committee and on the national Intergovernmental Conference on Local Government Information Development.

An external communications review confirmed the continuing efforts of the division to maintain personal and printed contact with elected and appointed officials and provided suggestions for improvements. Extensive involvement in education programs for elected and appointed officials as well as consultation with their representative associations continue to be essential to the division's ability to represent municipal concerns.

Grants and Subsidies Branch

The branch continued its mandate of administering financial assistance programs to municipalities and Albertans.

Details of the disbursements were:

MUNICIPAL DEBENTURE INTEREST REBATE PROGRAM

13 Cities	$ 94,935,271
109 Towns	13,990,850
104 Villages	1,376,650
5 Summer Villages	22,542
23 Counties	1,562,110
13 Municipal Districts	200,841
11 Improvement Districts	260,562
Total	$112,348,826

*For the period January 1, 1984 to December 31, 1984

UNCONDITIONAL ASSISTANCE GRANTS TO MUNICIPALITIES

13 Cities	$ 40,667,831
111 Towns	13,712,822
122 Villages	2,544,231
46 Summer Villages	254,542
30 Counties	20,091,174
18 Municipal Districts	9,257,201
16 Improvement Districts	5,154,710
Special Areas	900,416
4 Collecting School Districts	371,752
Total	$92,954,679

SPECIAL PURPOSE MUNICIPAL GRANTS

6 Cities	$ 307,260
12 Towns	2,065,418
1 Village	3,837
3 Municipal Districts	39,931
	$2,416,446
Municipal Anniversary Recognition Grants	70,112
Total	$2,486,558

EDMONTON ANNEXATION TRANSITIONAL ASSISTANCE GRANTS

2 Counties	$4,717,783
1 Municipal District	808,663
Total	$5,526,446

SENIOR CITIZENS RENTER ASSISTANCE PROGRAM

Regular Applications ($1,200)	$ 24,112
Subsidized Housing Applications ($600)	15,122
Owner-Occupied Mobile Home Applications ($1,000)	1,729
Total Applications	$ 40,963
Total Disbursed (Including Prior Years' Applications)	$39,736,600

PROPERTY TAX REDUCTION

Senior Citizen Applications	$ 84,569
Non-Senior Citizen Applications	74,349
Total Applications	$ 158,918
Amount Disbursed Senior Citizen	50,148,426
Amount Disbursed Non-Senior Citizen	5,961,769
	$56,110,195
Administration Fees	837,365
Prior Years' Credits	1,797,770
School Tax Credits	333,990
Total Disbursed	$59,079,320

The branch administered the $89,878 Priorities Employment Program for the department. Under the program, 16 projects were established and 16 people employed for four months.

The branch also administered the department's Summer Temporary Employment Program for which $165,312 was approved; 32 projects employing 42 people four months were established.

Also under the Municipal Debenture Interest Rebate Program, the branch reimbursed debenture prepayment penalties totalling $1,639,885 resulting in a saving of $4,620,860 in interest rebates.

Municipalities were introduced to the "It All Adds Up" program in May 1984. This communication plan was designed to assist the municipal office with the delivery of the Property Tax Reduction Program to local home-owners. Materials included a step-by-step guide, a reference guide, home-owner's brochure and a videotape.

The department launched the two year Edmonton Provincial School Abatement Program in March 1985. Rebates totalling $138,532 have been paid to owners whose property was annexed by the City of Edmonton in 1982.

Municipal Services Branch

Inspections

The branch carried out 328 municipal inspections to review administrative, legislative and financial conditions of municipalities. Special investigations were carried out in the Counties of Athabasca No. 12 and Lamont No. 30 and the Town of Hinton as a result of complaints to the department.

Training Initiatives

An ongoing municipal administrators' training program was conducted at 12 locations throughout Alberta. Budget preparation workshops were carried out for both elected and appointed officials by the area inspectors in co-operation with financial resource personnel. As well, branch personnel prepared and delivered several courses as part of the new Local Government Studies Citation Program at the University of Alberta.

The branch continues to prepare and present topical subjects for the three-day administrators' seminar at the Municipal Refresher Course held at the Banff School. Staff members also attend conventions, zone meetings, seminars, etc., to provide input on municipal procedures, administration and financial management.

The department continued to sponsor the Municipal Internship Program with the placement of six interns in various municipalities. This is the program's fifth year. Twenty-six of the 33 interns who have completed the program have found permanent employment in municipal administration.

Review of Annual Reports

The responsibility for review of annual reports from all 366 Alberta municipal operations, including improvement districts and Special Areas, has shown improvement with the continuing development of AMFIS. AMFIS is the computerized data base which contains the financial information reported by Alberta municipalities.

In addition to AMFIS, the department has acquired the capability to model future circumstances in municipal operations in light of foreseeable future events.

Regional Services Commissions
The branch has participated in the formal structuring of four regional water services commissions and one regional sewage commission over the past year and is continuing to participate in the structuring of additional regional services commissions in north and central Alberta.

Official Administrative Appointments
Due to various operational irregularities in three municipalities, branch personnel were appointed as official administrators and comptrollers pursuant to the Department of Municipal Affairs Act.

Legislation
The branch was involved in the preparation of legislative amendments to the County Act and conducted several special seminars directed at both elected and administrative officials regarding the proposed amendments. The branch was also involved in the preparation of amendments to both the Municipal Government Act and the Local Authorities Election Act.

Electoral Division Boundaries
Branch members are participating in the realignment of electoral division boundaries in all counties and municipal districts. To date 36 of these municipalities have completed realignment in accordance with department guidelines.

New Incorporations
During 1984 the following incorporations took effect:

Municipalities	Previous Status	New Status
Horseshoe Bay	—	Summer Village
Larkspur	—	Summer Village
Cypress No. 1	I.D.	M.D.
Clearwater No. 99	I.D.	M.D.
I.D. No. 1	I.D.	dissolved
I.D. No. 10	I.D.	dissolved

In addition, the Town of Airdrie became a city effective January 1, 1985.

At March 31, 1985, the number of incorporated municipalities in Alberta totalled 344 including:

14 cities
110 towns
122 villages
48 summer villages
30 counties
20 municipal districts

There are 19 Improvement Districts and three Special Areas in the province.

Special Studies
The Finance and Research Services section continued to provide research and advisory services to the department and various government agencies. Major activities included:

- continued review and fine tuning of the Municipal Assistance Grant allocation procedure
- completion of an amalgamation study for the Villages of Evansburg and Entwistle
- continued work on the Intermunicipal Co-operation Study for the Towns of Cold Lake and Grand Centre
- preparation of a Drayton Valley Area Municipal Feasibility Study
- incorporation studies for I.D. No. 14 and I.D. No. 15
- preparation of amendments to the Crowsnest Pass Unification Act.

Tax Recovery and Property Administration Branch

The branch ensures the rights of taxpayers and that the interests of municipal taxing authorities are protected in tax recovery proceedings. Under this mandate, the branch attended council meetings and provided assistance to municipal administrators and ratepayers on tax recovery land sales and tax collection proceedings.

Branch representatives attended the Banff Refresher Course in Municipal Administration, the Alberta Rural Municipal Administrators Association Conference, the Alberta Association of Improvement Districts Convention and one zone meeting of the Alberta Urban Municipalities Association. Two branch workshops on tax recovery procedures for municipal administrators were conducted.

In addition the branch assisted numerous municipalities in reviewing the status of lands held under tax forfeiture and recommended procedures for future disposition.

The branch in its normal course of business made recommendations to the minister for or against the approval of sales or property acquired by reason of nonpayment of taxes in various municipalities.

Following is a summary of approved tax recovery sales:

- **Cities, Towns and Villages:** The sale of occupied properties to their respective residents by villages involved 45 parcels for a return of $112,271.59. No sales of occupied property occured in cities and towns during the past year.
- **Improvement Districts and Special Areas:** There were 1,058 parcels listed (612 of which were redeemed prior to sale), 446 advertised and 161

offered for sale in 20 tax sales held by the branch. Total revenue from sales of tax forfeited land in improvement districts (at appraised values) amounted to $79,364.11.

- **Counties and Municipal Districts:** Some 51 land parcels were sold for a return of $409,943.12.
- **Special Areas Land Sales:** the branch processed 229 applications covering sale of land in the Special Areas and approved by the Special Areas Board to lessees wishing to acquire land. Total sale value amounted to $4,605,060.00.
- **Collections:** Some $8,848.00 was collected in improvement districts for rental of tax recovery land. Also, $12,763.81 in outstanding Agricultural Relief Advance receipts were collected in improvement districts. Recommendations were made to the Agricultural Relief Adjustment Board regarding compromise settlements of accounts which were irretrievably in arrears, or cancellation of uncollectable accounts.
- **Other Highlights:** Assistance was provided to the Municipal District of Cypress No. 1, formerly I.D. No. 1, in disposing of approximately 80 parcels of tax recovery land for a return of $1,039,849.00. These sales were implemented in accordance with a land sales policy established by the minister and council in conjunction with the branch.

  The branch conducted a review of tax forfeited lands located within the corporate boundaries of two rural municipalities and rendered advice, in regards to the review, to the respective municipalities.

  Phase one of a subdivision in the Hamlet of Grouard, I.D. 18 resulted in the sale of 17 parcels out of a total of 20 to area residents.

Assessment Services Division

ASSESSMENT SERVICES DIVISION

This division ensures equitable property tax assessments throughout Alberta through three branches:

- Assessment Operations Branch
- Assessment Standards Branch
- Assessment Inspection Branch.

During 1984/85 draft amendments prepared for the Municipal Taxation Act, affecting 31 different sections of this act, were finally enacted as the 1984 Municipal Taxation Amendment Act.

Significant time was also invested in studying the feasibility of, and ultimately implementing, a new provincial depreciation procedure on machinery and equipment assessment. In addition, the statutory level of assessment was reduced to make industry more competitive on a national and international basis.

Assessment Operations Branch

The finalization of the branch's reorganization in 1984/85 converted three district offices to regional status providing for a more efficient handling of assessment problems and closer management of assessment staff.

Property development in general has slowed down over the past three years and Assessment Operations has utilized this period to complete general assessments which reflect current values.

The following are business factors relating to Assessment Operations:

Value of Building Permits

1982	1983	1984
$967,000,000	$926,000,000	$836,500,000

Number of General Assessments Completed

1982	1983	1984
47	65	56

Number of General Assessments Refused

1982	1983	1984
32	29	16

Number of Municipalities Exceeding 7 Year Limit

1982	1983	1984
40	23	22

The Industrial area has maintained a steady growth.

Number of Oilwell Zones

1982	1983	1984
67,858	72,257	78,626

Horizontal Pipeline

1982	1983	1984
95,000 miles	95,350 miles	100,818 miles

A special test project in the Town of Spruce Grove is in the first year of a three year project which will evaluate the merits of completing a general assessment, with the aid of computers and factoring, on an annual basis.

Automation is moving into numerous areas of assessment. Machinery and equipment and pipelines assessments are now produced via a main frame system.

Farmland digitizing and calculation automation are also in the development stage. Numerous other department systems are being reviewed to see how they can assist the assessment process.

Wellsite standardization has been in use for two assessment years. In the past year a review was done by the Assessment Inspection Branch with support from the Industrial Section, regional offices and private municipalities. The reports indicate that the objective of standardization has been achieved.

Assessment Standards Branch

The Assessment Standards Branch was established in 1984 when the previous Research and Systems Branch, Training Branch and the advisory portion of the former Assessment Inspection and Advisory Branch were combined into one unit.

The branch aim is to provide technical assistance to Alberta assessors, both government and municipal, in all aspects of land and improvement valuations. This technical assistance encompasses the development of valuation manuals, assessor training and a continuing field assistance program. Municipalities and the public benefit from information programs such as Court of Revision seminars and the "Assessment Answer Campaign" which were developed to improve public awareness and understanding of assessment.

During 1984 and early 1985, the branch concentrated on producing a 1984 Assessment Manual for improvements and farmland. The manual uses 1983 market data as the base for developing rates and schedules. The residential and commercial sections were prepared with the assistance of an inhouse computer system developed by branch staff. Automated calculation of farmland areas with a micro-computer and digitizer was developed in conjunction with farmland staff in the department's Peace River office, the M.D. of Westlock and the commercial firm, Rileys Datashare International Ltd. Also included in the 1984/85 activities were:

- field assistance in the application of the 1967 and 1979 Assessment Valuation Manuals
- preparation and development of the communication plan to provide municipal officials, ratepayers and media with straightforward answers to questions on general assessments and to provide assessors with the tools to maintain ongoing communications at the local level

- on-going series of development courses for Alberta assessors
- a contract with the University of Alberta to further develop and train assessors.

The 1985 training mandate for the Assessment Standards Branch is to promote the province-wide program of the new 1984 manual for all Alberta assessment personnel and the systems development of farmland, residential and commercial valuation.

Assessment Inspection Branch

The branch provides an assessment inspection function to ensure quality control of assessments throughout the province. Review of the assessment procedure was carried out in a number of municipalities where general assessments were being conducted. Several large rural municipalities were assisted in the final preparation of their general assessments.

Enquiries from the public and senior or local government officials were addressed and draft regulations and legislation were prepared. Assessment complaints were investigated with necessary recommendations or action taken.

The branch prepared studies and recommendations on annexation proposals and other assessment related issues. Material on assessment procedure was prepared and presented to assessors and municipal councils.

The branch reviews and monitors the municipalities assessment/market sales ratio for the Assessment Equalization Board. Numerous assessment reviews were carried out for the Alberta Assessment Appeal Board in various municipalities.

Associated Boards

THE ALBERTA PLANNING BOARD

The Board has a quasi-judicial appeal function and develops and administers land use policies regarding the subdivision of land.

Trend activities which began in the previous fiscal year have generally intensified during the 1984/85 term, with the number of subdivision appeals rising slightly. The board staff was again reduced by one, and the staff re-organized to reflect the shift in emphasis in the Board's work.

One board member resigned to assume another appointment and one was appointed to reflect more equitable regional representation.

A total of 12 general board meetings were held, as well as 12 other meetings on matters such as regional plans and technical planning matters. There were also meetings with other boards and municipalities, along with two meetings of the board executive committee.

In the board's continued pursuit of maintaining liaison and improving communications with the regional planning commissions, an annual planning conference, a fall seminar, and two special meetings with the chairmen and directors of the regional planning commissions were held.

Other significant activities included:

- the formation of a board sub-committee which met with representatives of the regional planning commissions and municipal subdivision approving authorities to determine the mill rates for the municipal requisitions to the Alberta Planning Fund
- a meeting of board members with Environment Council of Alberta representatives to review and prepare a report on the ECA panel presentation on "Maintaining and Expanding the Agricultural Land Base"
- special meetings with interdepartmental representatives and with the provincial board of health on guidelines for health inspectors when commenting on subdivisions. Discussions also took place on private sewage disposal systems and on intensified livestock regulations
- special meetings with regional planning commissions on their regional plans
- representation, and meetings with various delegates, at the annual municipal association conferences
- participation in regional planning commission workshops and annual meetings
- reviews of suggested amendments to planning legislation
- the designation of the City of Leduc as its own subdivision approving authority
- the start of construction on an office building for the Palliser Regional Planning Commission in Hanna
- the issuing of guidelines for the reduction of staff on regional planning commissions
- approval by the board of regional plans for the Mackenzie, South Peace, Edmonton Metropolitan, Oldman River, Calgary and Palliser Regional Planning Commissions. These regional plans were also ratified by the minister
- the formation of a joint regional planning commission/APB temporary committee to make recommendations on a review of the role of regional planning commissions
- the review of Airport Vicinity Protection Area regulations and recommendations made to approve AVPAs for Lloydminster, Donnelly, Grande Prairie and Drumheller airports.

Appeals Committee

This committee met as required to monitor its procedure with a view to attaining consistency in the board's decisions on appeals. The committee also reviewed its procedures for the hearing of inter-municipal disputes and appeals on amendments to regional plans.

The board received 326 subdivision appeals and heard 314 in 51 days of hearings. A total of 318 Board Orders were issued. Forty appeals were abandoned or declared to be invalid. One referral was received on inter-municipal disputes and five appeals were heard on referrals and amendments to regional plans resulting in an additional two days of hearings.

Research and Planning Committee

This committee, which met 23 times during the year, dealt mostly with regional planning commissions and their proposed regional plans.

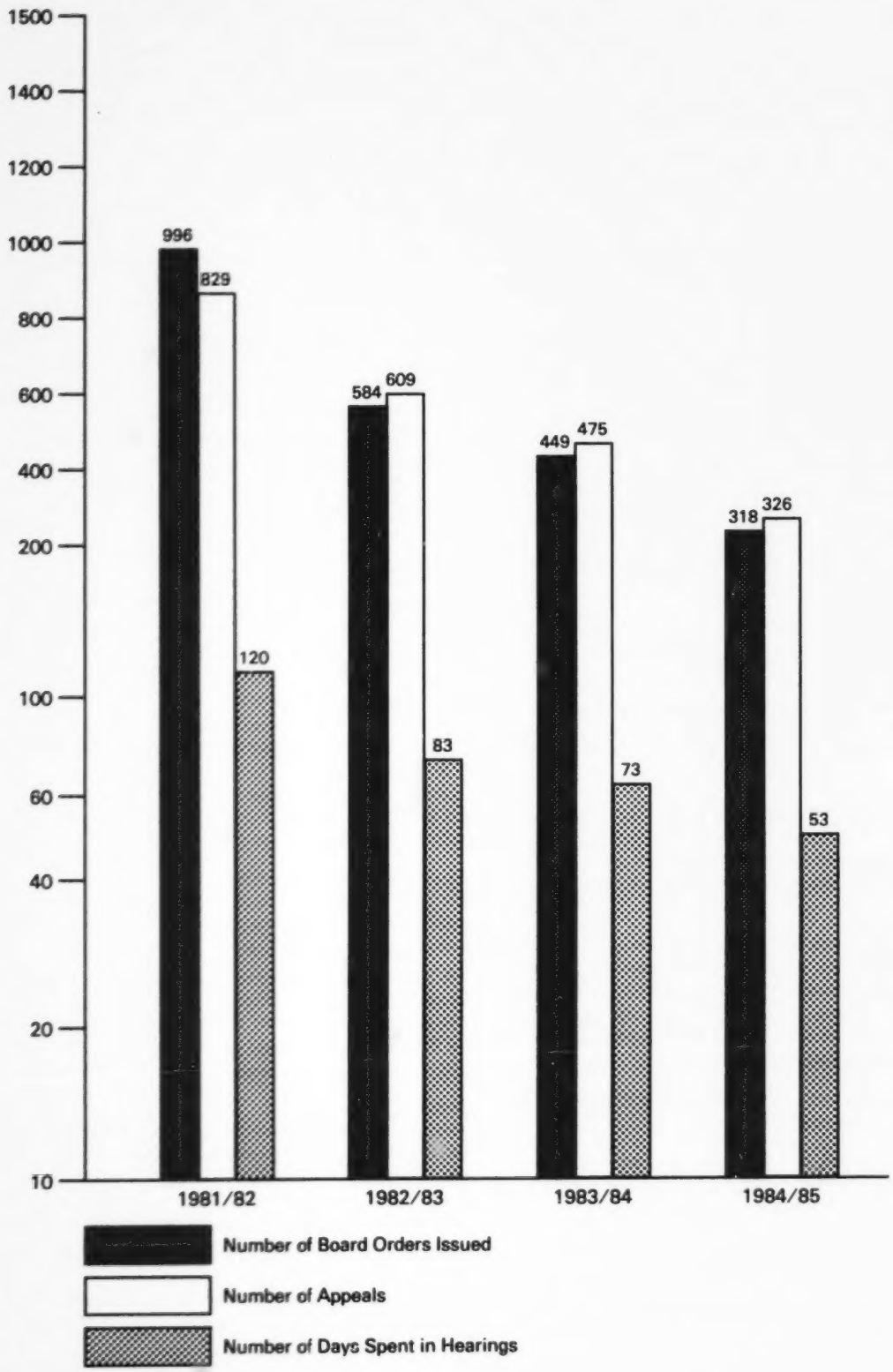
The committee considered 318 applications for the waiver of the subdivision regulation, 37 subdivision plan cancellations, and 47 requests under Section 78 of the Planning Act. A total of 402 Board Orders were issued and 11 miscellaneous orders were issued.

Finance Committee

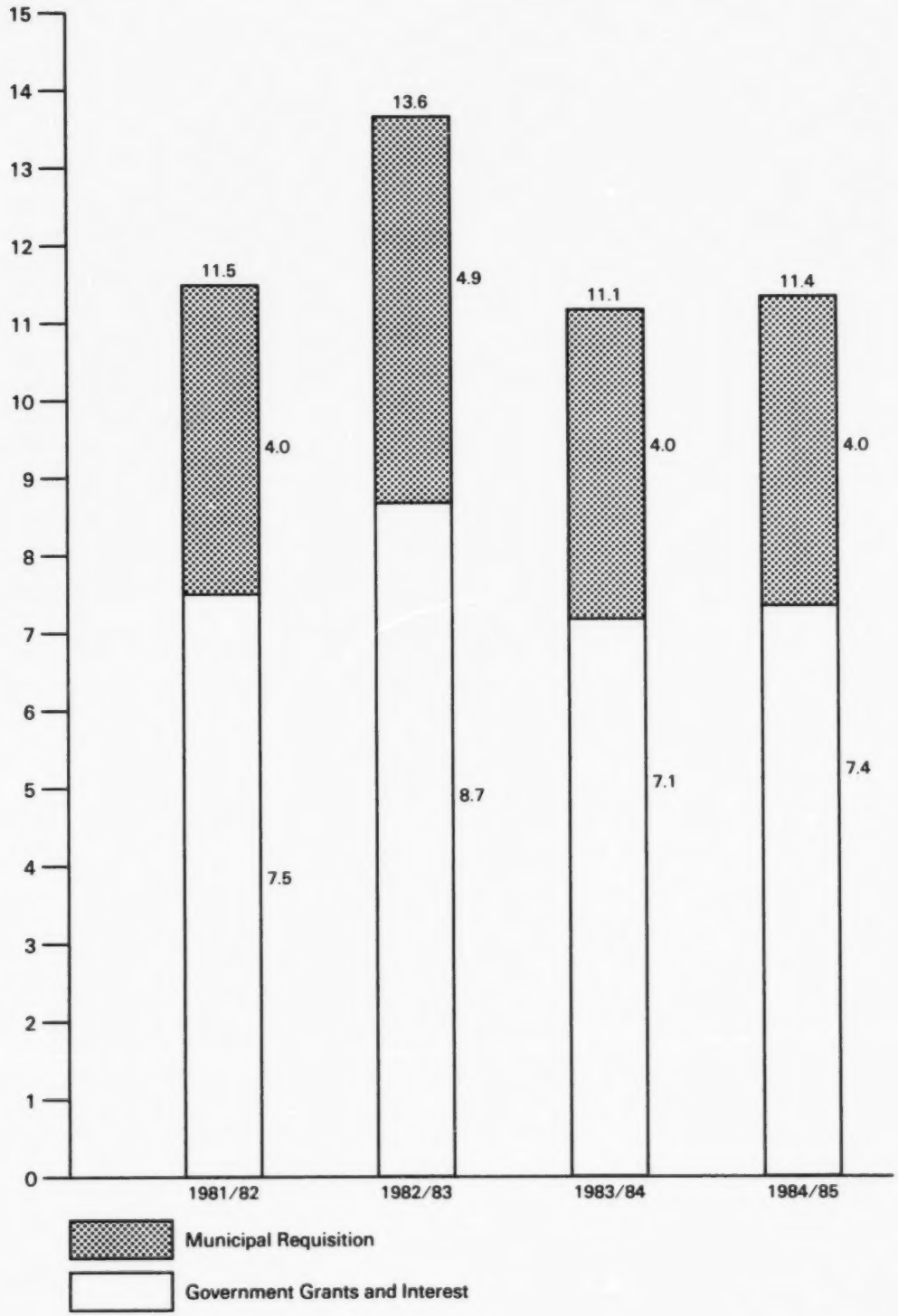
The finance committee met 19 times with a sub-committee on regional planning commission budgets. They also met 12 times to discuss mill rates for municipal requisitions. In addition, the committee met with each of the 10 regional planning commissions to review their 1984/85 budgets. A total of 36 board orders were issued on financial matters.

The status and audited statement of the Alberta Planning Fund appear in the pages following.

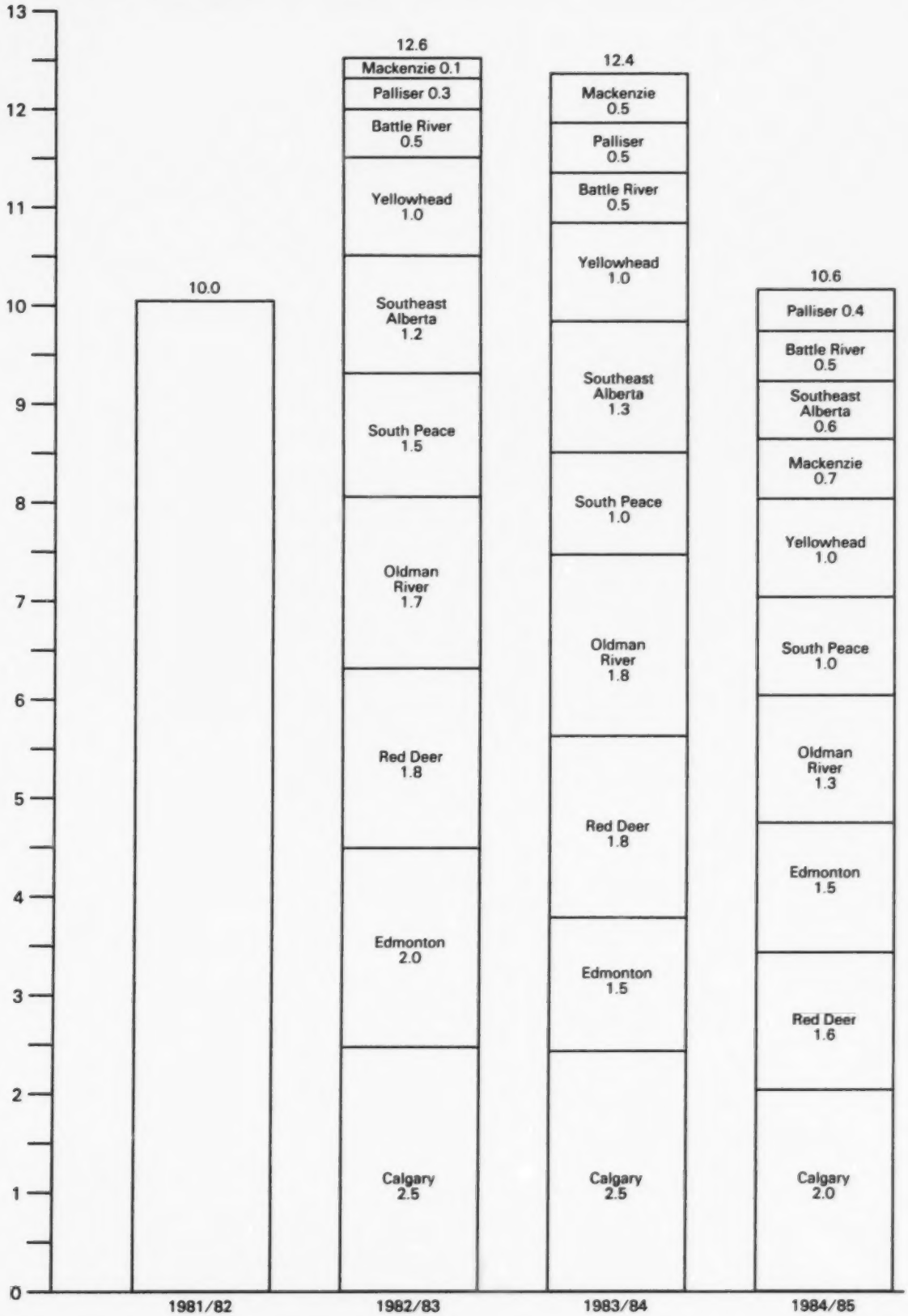
APPEALS, BOARD ORDERS ISSUED, APPEAL DAYS



ALBERTA PLANNING FUND — INCOME



CONTRIBUTIONS TO REGIONAL PLANNING COMMISSIONS



ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Members of the Alberta Planning Board

I have examined the balance sheet of the Alberta Planning Fund as at March 31, 1985 and the statement of revenue, expenditure and fund equity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F.C.A.
Auditor General

Edmonton, Alberta
August 19, 1985

ALBERTA PLANNING FUND
BALANCE SHEET
AS AT MARCH 31, 1985

	1985	1984
ASSETS		
Cash	$3,693,690	$3,055,149
Requisitions receivable	—	504
	$3,693,690	$3,055,653
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$ 88,361	$ 111,954
Fund equity	3,605,329	2,943,699
	$3,693,690	$3,055,653

ALBERTA PLANNING FUND
STATEMENT OF REVENUE, EXPENDITURE AND FUND EQUITY
FOR THE YEAR ENDED MARCH 31, 1985

	1985	1984
REVENUE		
Requisitions from municipalities on equalized assessments	$ 4,051,262	$ 3,990,007
Contributions from the Province of Alberta, Department of Municipal Affairs	6,932,438	6,932,438
Interest	443,112	317,206
	11,426,812	11,239,651
EXPENDITURE		
Contributions to Regional Planning Commissions:		
General operating costs	10,633,509	9,056,902
Special projects and studies	131,673	521,703
	10,765,182	9,578,605
Excess of revenue over expenditure	661,630	1,661,046
Fund equity at beginning of year	2,943,699	1,282,653
Fund equity at end of year	$ 3,605,329	$ 2,943,699

ALBERTA PLANNING FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1985

Note 1 Authority

The Alberta Planning Fund operates under the authority of the Planning Act, Chapter P-9, Revised Statutes of Alberta 1980.

Note 2 Significant Accounting Policies and Reporting Practices

Contributions to Regional Planning Commissions
Grants towards general operating costs are recorded as expenditures of the fiscal year in which they are paid. Special projects and studies includes all costs incurred by the Regional Planning Commissions at the balance sheet date.

Changes in Financial Position
A statement of changes in financial position is not provided as information about the Fund's activity and its effect on the Fund's cash resources is readily apparent from the other financial statements.

Note 3 Expenditure

Salaries, accommodation and other overhead costs incurred in the administration of the Fund have been borne by the General Revenue Fund and are not reflected in these financial statements.

Note 4 Approval of Financial Statements

These financial statements have been approved by management.

ALBERTA ASSESSMENT EQUALIZATION BOARD

The 1985 provincial equalized assessment, used to establish the apportionment of requisitions among municipalities, totalled $21.5 billion. This was a 7.3 per cent decrease from 1984.

A depressed market for non-farmland, a decrease in the economic productivity value of farmland and a decline in building projects, combined with reduced construction costs and changes in the assessment of machinery and equipment, have produced this continued decrease.

Equalized assessments established for use in 1984 and 1985 were determined on the basis of 1982 and 1983 data respectively.

Municipalities contributed approximately $147,242,000 to the Provincial School Foundation Fund, based on an equalized assessment of $10 billion.

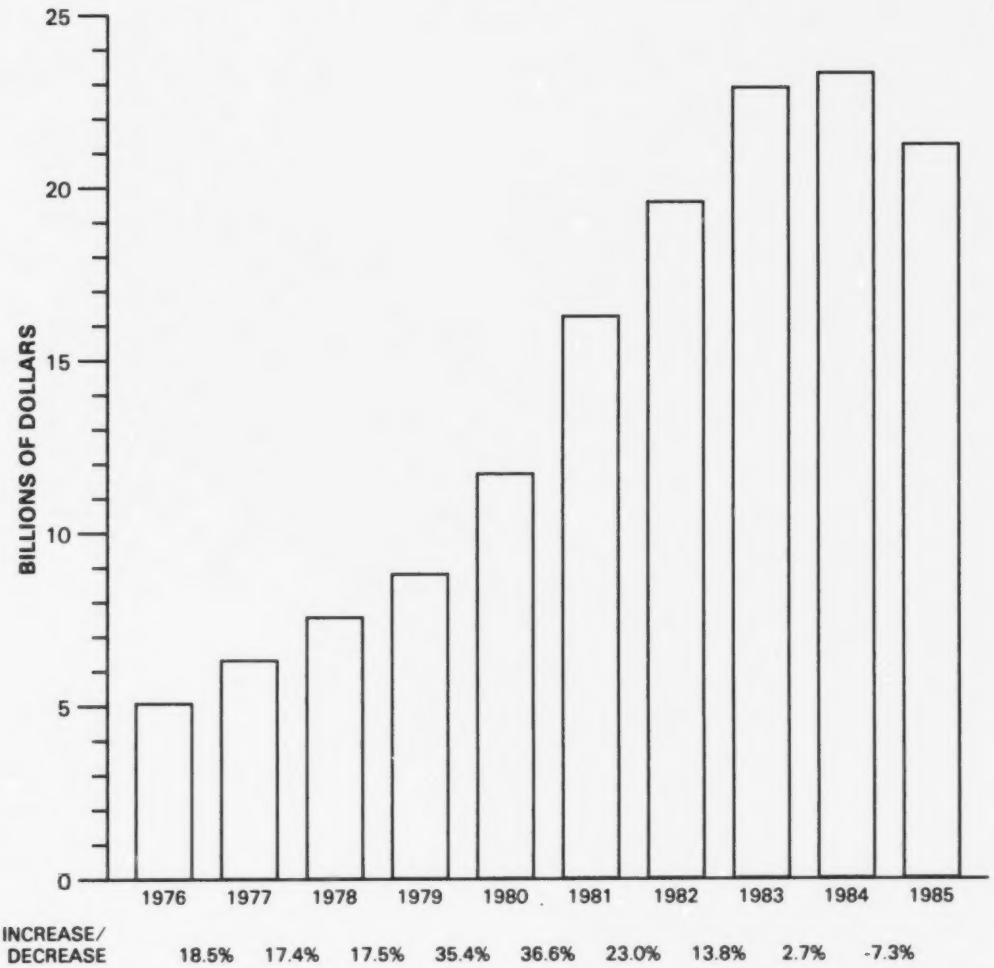
A $900 million decrease in equalized assessment and an increase in the Provincial School Foundation mill rate to 14.7 mills produced a net reduction of $7 million to the Provincial School Foundation Fund.

Total equalized assessments for the province in the last 10 years, together with the annual percentage increase/decrease, are illustrated on Graph #1. Equalized assessments for the School Foundation Fund are illustrated on Graph #2. Contributions to the fund and annual percentage increases/decreases over the previous year are illustrated on Graph #3.

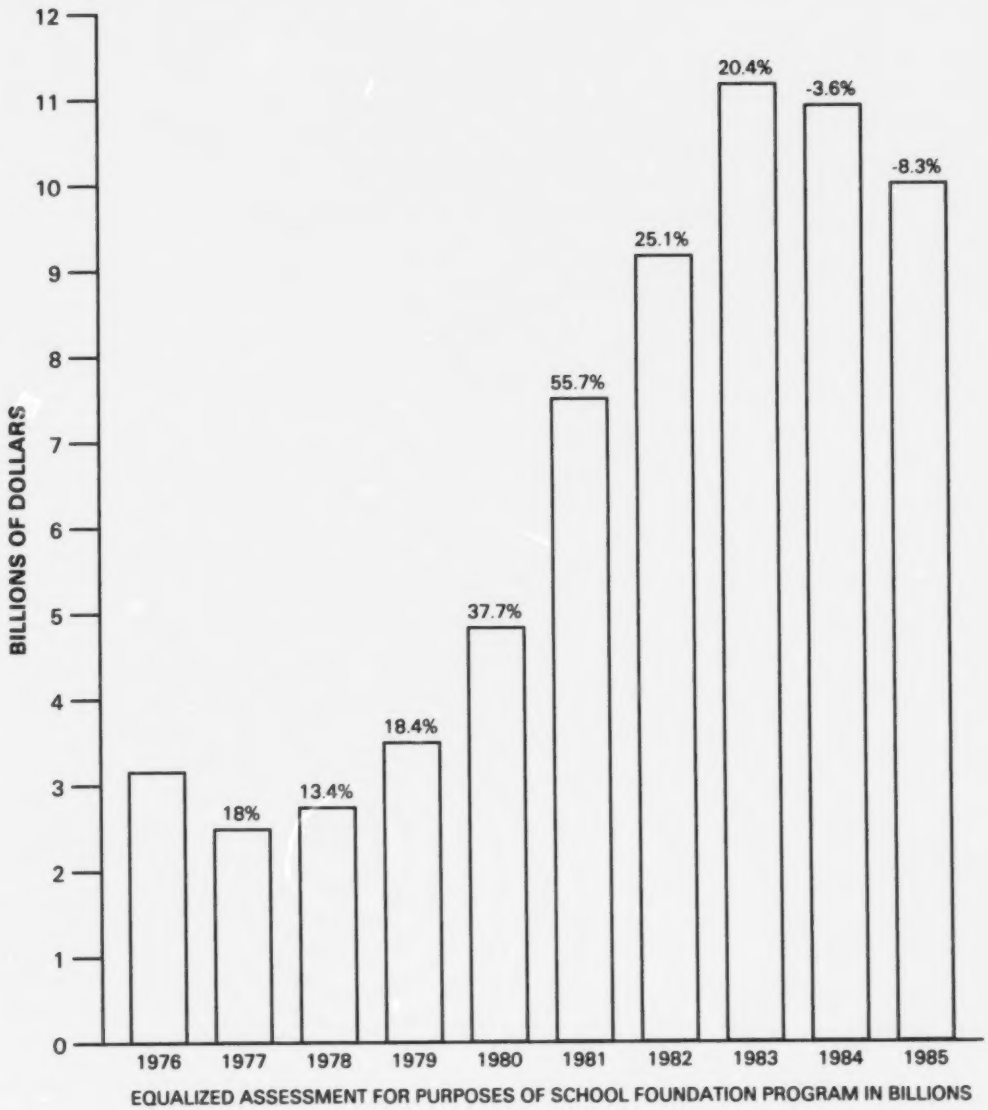
Next year equalized assessments will be produced by computer and a new procedure, which will permit a municipality to review its proposed equalized assessment, will also be in place.

This new procedure will permit the municipality to request and be present at a review of their proposed equalized assessment before the Alberta Assessment Equalization Board. The municipality will continue to retain the right to appeal through the Alberta Assessment Appeal Board.

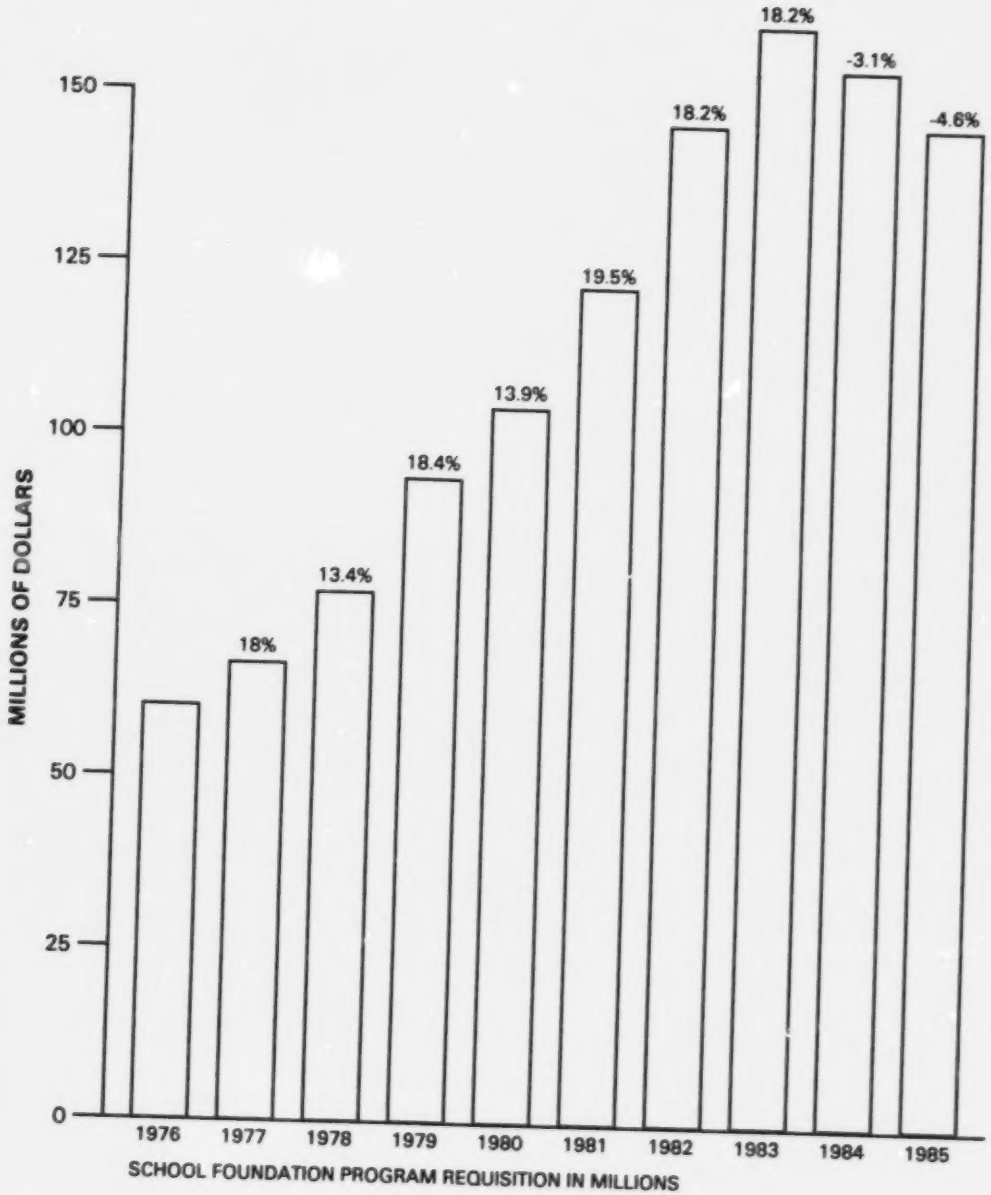
GRAPH 1 TOTAL EQUALIZED ASSESSMENT 1976-1985



GRAPH 2


12
11
10
9
8
7
6
5
4
3
2
1
0
BILLIONS OF DOLLARS
18%
13.4%
18.4%
37.7%
55.7%
25.1%
20.4%
-3.6%
-8.3%
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
EQUALIZED ASSESSMENT FOR PURPOSES OF SCHOOL FOUNDATION PROGRAM IN BILLIONS

GRAPH 3


MILLIONS OF DOLLARS
150
125
100
75
50
25
0
18%
13.4%
18.4%
13.9%
19.5%
18.2%
18.2%
-3.1%
-4.6%
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
SCHOOL FOUNDATION PROGRAM REQUISITION IN MILLIONS

ALBERTA ASSESSMENT APPEAL BOARD

Several municipalities completed general assessments for the 1984 taxation year and many continue to complete general assessments under revised assessment standards. Due to fluctuating economic conditions, statutory and regulatory changes, legal and technical challenges and complaints now before the courts of revision, an increase in the number of appeals for the next fiscal year is expected. This year the number of appeals increased by 13.77 per cent.

Appeals filed with the board, includling those filed as late as mid-February 1985, were completed prior to fiscal year end, with the exception of six reserved for inspection, nine postponed (one involving 785 properties) at the appellants' request, 57 set over awaiting judicial decisions and eight filed after the fiscal year end.

Following is a breakdown, by municipality, of appellants and items heard:

Municipalities	Appellants	Items
12 Cities	432	1351
25 Counties	205	662
8 Municipal Districts	55	112
7 Improvement Districts	22	92
2 Special Areas	5	20
38 Towns	98	551
17 Villages	32	152
109	849	2940
Equalized Assessment Appeals	11	14
Electric Power & Pipeline Assessment Appeals (all withdrawn)	14	
	874	2954

The board issued 38 written decisions; other decisions were given orally and subsequently confirmed in writing.

Charts filed as an appendix to this report show the disposition of all appeals heard by the board during the fiscal year.

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

VILLAGES	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
Caroline	1	1		1				1		1																2
Delburne	4	4			4			4			4															8
Delia	2	4	3	1				4	2	2																8
Evansburg	1	1		1				1		1																2
Irricana	1	1	1					1	1																	2
Lavoy	1	1			1			1			1															2
Mannville	2	4	1	3				4	3	1																8
New Sarepta	6	8		8				7	3	4																15
Radway	1	2					2																			2
Tilley	1	1		1				1	1																	2
Wabamun	2	83	82		1			1	1																	84
S.V. Mewatha Beach	1							1	1																	1
S.V. Nakaman Park	1	1	1																							1
S.V. Parkland Beach	2	1		1				2	1	1																3
S.V. Seba Beach	4	4	4					3	2	1																7
S.V. Sunset Beach	1	1	1																							1
S.V. West Cove	1	2		2				2	2																	4
TOTALS	32	119	93	18	6		2	33	17	11	5															152

1984 APPEALS
ALBERTA ASSESSMENT APPEAL BOARD

TOWNS	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
Airdrie	2	4	2	1	1			3	1	2																7
Athabasca	8	9	2	6			1	8	2	5			1													17
Barrhead	3	4	2	1			1	2		2																6
Beaumont	2	3	2	1				1		1																4
Blackfalds	3	62	6	56				6			6															68
Bonnyville	1	1		1				1	1																	2
Brooks	4	6		2	4			3		2	1															9
Bruderheim	4	4		3	1			4	2	1	1															8
Canmore	1	1					1	1					1													2
Cold Lake	3	4	1	2	1			3	2	1																7
Crossfield	1							1		1																1
Daysland	1							1	1																	1
Edson	11	24	15	8	1			8	4	4										1	1					33
Gibbons	2	231			231																					231
Grand Centre	1	3			3			3			3															6
Hanna	1							1	1																	1
Hardisty	4	4		3	1			3		3																7
High Level	1																			1		1				1
High Prairie	2	16	15		1			2	1		1															18
Lacombe	1							1	1																	1
Lamont	1	1	1																							1
Manning	1	1	1					1	1																	2
Milk River	1							2	2																	2
Mun. Crowsnest Pass	6	48	35	12			1	4		3			1							1	1					53
Olds	1	1		1				1		1																2
Ponoka	1	1	1																							1
Provost	1	1		1																						1
Raymond	2	2			2			2	1		1															4
Redcliff	1	1		1				1		1																2
Spruce Grove	4	7		4	3			3	1		2															10
Stony Plain	2	9	6	3																						9
Three Hills	1	3		3																						3
Tofield	1	3		3				1		1																4
Trochu	1	1		1				1	1																	2
Vegreville	2	3		1	2			1			1															4
Vermilion	3	2		1	1			3	1	1	1															5
Vulcan	2	2		1	1			2		1	1															4
Whitecourt	11	10	10																	2	2					12
TOTALS	98	472	99	116	253		4	74	23	30	18		3							5	4	1				551

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

IMPROVEMENT DISTRICTS	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
#1	4	1		1				58		1		57														59
#6	1							2		2																2
#7	1	1		1				1	1																	2
#10	5	4	1	1	1		1	4			1	1	2													8
#14	8	6	2	1	3			7	2	2	3															13
#16	2	1			1			3	2		1															4
#18	1							4	1		3															4
TOTALS	22	13	3	4	5		1	79	6	5	8	58	2													92

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

MUNICIPAL DISTRICTS	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
#14 Taber	2	5	2	3																						5
#26 Willow Creek	1							1	1																	1
#31 Foothills	35	43	24	1	18			30	5	8	13	4														73
#44 Rockyview	5	6			6			5	1	1	3															11
#47 Starland	4	5	4	1				1		1																6
#48 Kneehill	1	1			1			1			1															2
#87 Bonnyville	2	3			3			3	1	1		1														6
#90 Sturgeon	5	4		3	1			4	2	1	1															8
TOTALS	55	67	30	8	29			45	10	12	18	5														112

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

COUNTIES	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
#1 Grande Prairie	2	2	1				1																			2
#2 Vulcan	4	10	2	8																						10
#3 Ponoka	36	139	62	76			1	21	9	9		2	1													160
#4 Newell	10	27	3	10	14			10	3	1	6															37
#5 Warner	8	35	20	13	2			1		1																36
#7 Thorhild	1	1		1																						1
#8 Forty Mile	1	1			1			1			1															2
#11 Barrhead	2	2	1		1			2	1			1														4
#12 Athabasca	9	12	1	4	5		2	7		2	3		2							1			1			20
#13 Smoky Lake	3	3		2	1			1		1																4
#14 Lacombe	3	2	1		1			2		1	1															4
#16 Wheatland	14	43	14	26	2		1	9	4	2	3															52
#18 Paintearth	1							1	1																	1
#19 St. Paul	1	1	1					1		1																2
#20 Strathcona	7	13	3	10				7	3	4																20
#21 Two Hills	7	4		2			2	26	10	2		3	11													30
#22 Camrose	1							1				1														1
#23 Red Deer	10	9	1	4	4			7	1	3	3															16
#25 Leduc	4	5		1	4																					5
#26 Lethbridge	24	104	55	29	20			16	3	8	5															120
#27 Minburn	39	89	58	22	5		4	7	3	3	1															96
#28 Lac Ste Anne	4	10	6	3	1			3		2	1															13
#29 Flagstaff	1							1	1																	1
#30 Lamont	7	8			7		1	7	1		5		1													15
#31 Parkland	6	7	2	4	1			3	1			2														10
TOTALS	205	527	231	215	69		12	134	41	40	29	9	15							1			1			662

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

CITIES	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
Calgary	99	89	26	23	22		18	64	18	17	14	1	14	5		4		1		17	1	12	3		1	175
Camrose	2	9	6	2			1	1		1																10
Drumheller	1							1	1																	1
Edmonton	255	458	104	249	65	1	39	310	30	200	53	3	24	125	47	34	33		11	6		4	1	1		899
Fort McMurray	3	35	4		7		24	30		1	5		24													65
Grande Prairie	10	4		4				3	2	1				2	1	1				5	5					14
Leduc	1	1		1				1		1																2
Lethbridge	17	26	5	12	3		6	20	2	12	4	1	1	3	3											49
Medicine Hat	27	32	14	12	3		3	37	23	8	4		2													69
Red Deer	3	10		7	3			4	1	3																14
St. Albert	5	23	19	3	1			2		2																25
Wetaskiwin	9	17	3	10	2		2	11	3	7	1															28
TOTALS	432	704	181	323	106	1	93	484	80	253	81	5	65	135	51	39	33	1	11	28	6	16	4	1	1	1351

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

SPECIAL AREAS	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
#3	3	2	2					1			1															3
#4	2	15	13	2				2	2																	17
TOTALS	5	17	15	2				3	2		1															20

1984 APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

SUMMARY OF 1984 APPEALS	Appellants	LAND						IMPROVEMENTS						BUSINESS						LOCAL IMPROVEMENTS						TOTAL
		Land Assess.	Adj.	Conf.	Dism.	C/Q	WD	Imp. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Bus. Assess.	Adj.	Conf.	Dism.	C/Q	WD	Loc. Improv.	Adj.	Conf.	Dism.	C/Q	WD	
12 Cities	432	704	181	323	106	1	93	484	80	253	81	5	65	135	51	39	33	1	11	28	6	16	4	1	1	1315
25 Counties	205	527	231	215	69		12	134	41	40	29	9	15							1			1			662
7 Improvement Districts	22	13	3	4	5		1	79	6	5	8	58	2													92
8 Municipal Districts	55	67	30	8	29			45	10	12	18	5														112
2 Special Areas	5	17	15	2				3	2		1															20
38 Towns	98	472	99	116	253		4	74	23	30	18		3							5	4	1				551
17 Villages	32	119	93	18	6		2	33	17	11	5															152
TOTALS	849	1919	652	686	468	1	112	852	179	351	160	77	85	135	51	39	33	1	11	34	10	17	5	1	1	2940

1984 Equalized Assessment
Appeals (as per attached schedule)

1984 E.P.P.L. Assessment
Appeals (as per attached schedule)

1984 EQUALIZED ASSESSMENT APPEALS

ALBERTA ASSESSMENT APPEAL BOARD

	NO. OF APPELLANTS	CONFIRMED	REDUCED	DISMISSED	WITHDRAWN
1984 EQUALIZED ASSESSMENTS	11	3	1		7
1984 EQUALIZED ASSESSMENTS (varied for purposes of the Provincial School Foundation Fund)		3	1		7
TOTALS	11	6	2		14

1984 ELECTRIC POWER AND PIPE LINE ASSESSMENT APPEALS

1984 E.P.P.L. ASSESSMENTS	14				14
TOTALS	14				14

SPECIAL AREAS BOARD

The Special Areas Board operates under the authority of the Special Areas Act. The board performs duties as assigned by the Minister of Municipal Affairs in the administration of approximately 5.2 million acres of land in south-east Alberta.

Current Year Highlights

- **Agriculture Economy**
  The areas were hard hit by drought during 1984. The Prairie Livestock Drought Assistance Program was well received, and encouraged ranchers to winter their cattle rather than sell off large herds. Hay and straw were in very scarce supply, expensive, and coupled with severe winter conditions, resulted in high production costs.

- **Water Development**
  The board was pleased to be able to participate in the public hearings on the South Saskatchewan River Basin Planning Program. The Blowdown Canal from Sheerness Cooling Pond was completed and tested during the year, and the deadfish Pipeline started up. These projects will allow for approximately 3,000 acres to be irrigated in 1985 with a potential of approximately 20,000 acres to be irrigated in the near future.

- **Assessment**
  A general assessment was completed in the Special Areas during 1984, which updated assessments in accordance with the 1978 assessment manual, on lands, buildings and industrial properties.

- **Municipal Services**
  Favorable construction weather contributed to an increased program, with some 70 miles of new road being constructed and 23 miles of new road oiled. Eight hundred and fifty five miles were gravelled or regravelled during the year.

- **Sheerness Power Plant**
  Construction of the Sheerness Power Plant began in 1980 in preparation for electrical production in 1986. The plant is fueled by shallow coal reserves in the Sheerness area, 32 kilometres south of Hanna.

- **Tax Recovery Land**
  The Special Areas have sold 409,605 acres of tax recovery land since the program was approved in 1981 with an approximate average of three quarter sections per applicant.

Other 1984 developments and activities are presented in the following five year summary:

OPERATIONS	1984	1983	1982	1981	1980
ISSUE:					
Mineral Surface Leases	123	137	369	435	394
Development Control Permits	25	9	20	39	27
LEASES TRANSACTIONS:					
Assignments	165	180	202	504	195
Partial Assignments	36	44	55	36	24
Renewals	280	290	296	366	321
New Leases	40	50	56	77	71
Regrassing Permits	108	181	167	205	118
ROAD PROGRAM (in miles):					
New Construction	70	80.5	86.5	112.5	93
New Oiled	23	0	24	53	22
Gravelling	835	548	818	931	793
COMMUNITY PASTURES:					
Number of Cattle Managed	9,248	9,196	9,467	8,816	8,927
Number of Calves Managed	5,375	5,450	5,594	5,400	5,409

ALBERTA LEGISLATURE

OFFICE OF THE AUDITOR GENERAL

AUDITOR'S REPORT

To the Minister of Municipal Affairs

I have examined the balance sheet of the Special Areas Trust Account as at December 31, 1984 and the statements of revenue, expenditure and surplus, capital reserves, equity in fixed assets and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Trust Account as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements applied, after giving retroactive effect to the change in the fixed assets accounting policy as described in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

F.C.A.
Auditor General

Edmonton, Alberta
May 10, 1985

SPECIAL AREAS TRUST ACCOUNT
BALANCE SHEET
AS AT DECEMBER 31, 1984

	1984	1983
ASSETS		
Current:		
Cash and deposit (Note 4)	$12,787,240	$ 9,519,120
Accounts receivable, net (Note 5)	2,448,985	1,882,563
Taxes and grants in lieu receivable, net	271,340	353,250
Inventories (Note 2)	1,057,628	1,052,702
	16,565,193	12,807,635
Non Current:		
Accounts receivable, net (Note 5)	15,216,079	11,710,649
Investments:		
Alberta Municipal Financing Corporation shares, at cost	150	150
Fixed, at cost (Notes 2, 3 and 6)	13,078,571	11,978,626
	$44,859,992	$36,497,060
LIABILITIES AND TRUST EQUITY		
Current:		
Due to Province of Alberta, net (Note 7)	$ 2,142,278	$ 2,030,402
Accounts payable and accruals	408,661	338,663
Deferred revenue	93,187	132,119
	2,644,126	2,501,184
Trust Equity:		
Operating surplus	5,030,006	4,216,147
Capital reserves (Note 2)	24,107,290	17,801,103
Fixed assets (Note 2)	13,078,571	11,978,626
	42,215,867	33,995,876
	$44,859,993	$36,497,060

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1984

	1984	1983
REVENUE		
General Municipal:		
Taxation:		
Power and pipeline	$ 4,293,329	$ 3,781,689
Real property	2,972,592	2,819,243
Grazing taxes	832,789	1,116,649
Provincial grants in lieu of taxes	60,265	35,327
Mobile home license fees	2,384	4,199
	8,161,359	7,757,107
Less: Expended by transfers:		
Supplementary school requisitions	3,155,969	3,051,774
Provincial school foundation	1,590,811	1,365,412
Homes for aged requisitions	207,613	249,136
Hospital requisitions	123,665	203,004
Alberta Planning Fund	47,960	43,018
Industrial tax transfers	23,580	—
	5,149,598	4,912,344
Net taxes for municipal purposes	3,011,761	2,844,763
Tax recovery land sales (Note 8)	6,460,695	8,680,498
Leases	3,688,158	4,039,396
Provincial grants (Note 9)	3,216,320	3,084,048
Interest	2,120,565	1,386,617
Other	459,016	803,794
	18,956,515	20,839,116
Transfer from capital reserves	150,000	—
TOTAL REVENUE	$19,106,515	$20,839,116

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS (continued)
FOR THE YEAR ENDED DECEMBER 31, 1984

	1984	1983
EXPENDITURE		
General Municipal:		
Transportation services	$ 9,280,423	$ 9,317,034
Administrative services	1,341,843	1,315,034
Environmental development services	732,728	441,961
Recreational, cultural and educational services	289,993	273,108
Protective services	211,508	184,098
Health and welfare services	34,125	14,113
Provision for doubtful accounts	(54,151)	(76,179)
	11,836,469	11,469,169
Transfers to capital reserves:		
Tax recovery land sales, net of change in allowance for doubtful accounts	6,350,607	8,414,214
Interest on municipal debt reduction funds	105,580	93,704
	6,456,187	8,507,918
TOTAL EXPENDITURE	18,292,656	19,977,087
Excess of revenue over expenditure	813,859	862,029
Add: Surplus at beginning of year	4,216,147	3,354,118
Surplus at end of year	$ 5,030,006	$ 4,216,147

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF CAPITAL RESERVES
FOR THE YEAR ENDED DECEMBER 31, 1984

	1984	1983
TAX RECOVERY LAND SALES RESERVE		
Balance at beginning of year	$16,823,534	$ 8,409,320
Add: Transfer from expenditure	6,350,607	8,414,214
Balance at end of year	23,174,141	16,823,534
MUNICIPAL DEBT REDUCTION RESERVE		
Balance at beginning of year	976,460	882,756
Add: Transfer from expenditure	105,580	93,704
	1,082,040	976,460
Less: Transfer to revenue	150,000	—
Balance at end of year	932,040	976,460
PUBLIC RESERVE		
Balance at beginning of year	1,109	1,109
Add: Transfer from expenditure	—	—
Balance at end of year	1,109	1,109
TOTAL CAPITAL RESERVES	$24,107,290	$17,801,103

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF EQUITY IN FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1984

	1984	1983
Balance at beginning of year		
As previously reported	$ 7,002,628	$ 7,197,767
Adjustment due to change in accounting policy (Note 3)	4,975,998	3,428,988
As restated	11,978,626	10,626,755
Add: Purchase of fixed assets		
Transportation services	1,005,529	1,315,158
Environmental development services	54,127	57,105
Administrative services	51,501	16,168
Protective services	42,740	14,997
	1,153,897	1,403,428
Less: Excise tax rebate on construction costs	53,952	—
Disposal of fixed assets	—	51,557
Balance at end of year	$13,078,571	$11,978,626

SPECIAL AREAS TRUST ACCOUNT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1984

	1984	1983
Funds were provided by:		
Operations		
Excess of revenue over expenditure	$ 813,859	$ 862,029
Less: Transfer from capital reserves	(150,000)	—
	663,859	862,029
Capital:		
Tax recovery land sales, net	6,350,607	8,414,214
Less: Increase in tax recovery land sales receivable	(3,697,324)	(5,548,671)
Interest on municipal debt reduction reserve	105,580	93,704
	2,758,863	2,959,247
Working Capital:		
Increase in amount due to Province of Alberta	111,876	906,290
Decrease (increase) in taxes and grants in lieu receivable	81,910	(21,363)
Increase (decrease) in accounts payable and accruals	69,998	(542,472)
	263,784	342,455
TOTAL FUNDS PROVIDED	3,686,506	4,163,731
Funds were applied to working capital:		
Increase in other accounts receivable	374,528	460,716
Decrease (increase) in deferred revenue	38,932	(5,521)
Increase (decrease) in inventories	4,926	(151,608)
TOTAL FUNDS APPLIED	418,386	303,587
Increase in cash and deposit	3,268,120	3,860,144
Cash and deposit at beginning of year	9,519,120	5,658,976
Cash and deposit at end of year	$12,787,240	$ 9,519,120

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1984

Note 1 Authority

The Special Areas Trust Account operates under the authority of the Special Areas Act, Chapter S-20, Revised Statutes of Alberta 1980.

Note 2 Significant Accounting Policies

a) General:

These financial statements have been prepared in accordance with generally accepted accounting principles except that:

i) Fixed assets (other than tax recovery land) are charged to expense at date of acquisition. Fixed assets having an original cost greater than $2,500 are shown on the balance sheet at cost with the offsetting credit to equity in fixed assets. No provision is made for depreciation of fixed assets.

ii) Revenues from crop shares, mineral surface leases and Wheat Board adjustments are recorded on a cash received basis. Accordingly, an undetermined amount of revenue receivable from these sources is not reflected in these financial statements.

iii) Transfers to and from capital reserves are reported as expenditures and revenues.

iv) Tax recovery land is not valued for balance sheet purposes. There is approximately 1.59 million acres of tax recovery land which remains unsold as at December 31, 1984 (1983 — 1.7 million acres).

b) Inventories:

Inventories are valued at the lower of cost or net realizable value.

c) Capital Reserves:

The reserves have been established for the funding of any expenditure that the Minister of Municipal Affairs may authorize.

The reserves include revenue from the sale of tax recovery land, cash in lieu of public reserve and funds received under the Municipal Debt Reduction Act. Any interest earned on municipal debt reduction funds is also included.

c) Equity in Fixed Assets:

Equity in fixed assets arise from the recording of fixed assets on the balance sheet subsequent to having been expensed. The equity is increased for fixed assets acquired each year and reduced for the disposal of fixed assets.

Note 3 Change in Accounting Policy

In prior years fixed assets were recorded at depreciated cost. Effective January 1, 1984 the Trust adopted the policy of reporting fixed assets at original cost. This change in accounting policy has been applied retroactively and has had the following effect on the financial statements:

	1984	1983
Increase in fixed assets	$5,843,562	$4,975,998
Increase in equity in fixed assets	$5,843,562	$4,975,998

Note 4 Cash and Deposit

Cash and deposit includes a deposit of $12,412,693 (1983 — $9,229,155) in the Consolidated Cash Investment Trust Fund of the Province of Alberta.

Note 5 Accounts Receivable, Net

Accounts receivable, net of applicable allowances for doubtful accounts, are comprised of the following:

	1984	1983
Current:		
Tax recovery:		
Land sales	$ 1,324,718	$ 1,024,342
Mineral surface lease sales	45,698	30,842
Accrued interest	535,190	355,268
	1,905,606	1,410,452
Accrued interest	246,279	145,420
Leases	226,680	242,581
Recreation and other advances	30,315	23,855
Miscellaneous	40,105	60,255
	$ 2,448,985	$ 1,882,563
Non current:		
Tax recovery:		
Land sales	$14,737,528	$11,340,580
Mineral surface lease sales	318,496	233,082
	15,056,024	11,573,662
Recreation and other advances	160,055	136,987
	$15,216,079	$11,710,649

Title to tax recovery land sold is not transferred from the Minister of Municipal Affairs to the purchaser until all purchase monies have been paid. If a purchaser defaults in payment, the agreement for sale may be declared null and void and all monies received may be retained by the Trust Account as liquidated damages.

SPECIAL AREAS TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS (continued)
DECEMBER 31, 1984

Note 6 Fixed Assets

Fixed assets, at cost are comprised of the following:

	1984	1983
Land	$ 179,962	$ 136,962
Buildings	3,572,881	3,529,965
Vehicle and mobile equipment	8,861,931	7,866,317
Machinery and equipment	434,986	426,485
Electronic data processing equipment	19,466	9,552
Office equipment	9,345	9,345
	$13,078,571	$11,978,626

Note 7 Due to Province of Alberta, net

The net amount due to the Province of Alberta is comprised of the following:

	1984	1983
Due to the Province of Alberta:		
Salaries	$3,153,545	$3,112,080
Administration charges	67,370	73,629
Other	87,991	150,896
	3,308,906	3,336,605
Due from the Province of Alberta:		
Grants	1,131,684	1,237,085
Other	34,944	69,118
	1,166,628	1,306,203
	$2,142,278	$2,030,402

Note 8 Tax Recovery Land Sale Revenue

Tax recovery land sale revenue is comprised of the following:

	1984	1983
Land sales - agreements for sale	$5,513,937	$7,100,362
Land sales - full payment	795,300	1,230,300
Mineral surface lease sales	151,458	349,836
	$6,460,695	$8,680,498

Note 9 Provincial Grant Revenue

Provincial grant revenue is comprised of the following:

	1984	1983
Transportation	$1,986,025	$2,065,755
Municipal Affairs	936,107	807,141
Agriculture (Agricultural Service Board)	145,996	141,746
Recreation and Parks	103,192	24,406
Utilities and Telecommunications	45,000	45,000
	$3,216,320	$3,084,048

Note 10 Comparative Figures

The 1983 figures have been restated where necessary to conform to 1984 presentation.

Note 11 Approval of Financial Statements

These financial statements were approved by management.